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July 27, 2018

VIA ELECTRONIC FILING

M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Carolinas, LLC's Response to TOU and Prior
Notification Issues
Docket Nos. E-7, Sub 1115 and E-100, Sub 147**

Dear Ms. Jarvis:

Pursuant to the Commission's June 22, 2018 *Order Approving Manually Read Meter Rider with Modifications and Requesting Meter-Related Information*, I enclose Duke Energy Carolinas, LLC's ("DEC") Response to Time of Use ("TOU") and Prior Notification Issues, for filing in connection with the referenced matter.

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,
A handwritten signature in black ink, appearing to read 'Lawrence B. Somers', written over the word 'Sincerely,'.

Lawrence B. Somers

Enclosures

cc: Parties of Record

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JUL 27 2018

**Duke Energy Carolinas, LLC's Response to TOU and
Prior Notification Issues in June 22, 2018 Order
in Docket Nos. E-7, Sub 1115 and E-100, Sub 147**

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Duke Energy Carolinas, LLC ("DEC" or the "Company") hereby responds to the Commission's request in its June 22, 2018 *Order Approving Manually Read Meter Rider with Modifications and Requesting Meter-Related Information* in Docket Nos. E-7, Sub 1115, E-100, Sub 147 and E-100, Sub 153 that "DEC shall report on the status of efforts to address problems with its smart meters relative to TOU tariff implementation on or before August 1, 2018" and that "DEC shall investigate public comments in this docket that state that the Company installed a smart meter without prior notification to the resident. The Company shall report back to the Commission as soon as practicable, but no later than August 1, 2018."

TOU Response:

On May 30, 2017, DEC filed its Report of Real-Time Electric Usage Information for AMR and Smart Meters ("Report"), which detailed the real-time electric usage information that was available to Time-of-Use ("TOU") customers using AMR meters as compared to similar information available to TOU customers using a smart meter. There were two items outstanding as of the time of the Report, and DEC supplemented the report on December 20, 2017. As of the date of the supplemental filing, there was one item outstanding. This item related to a subset of TOU customers where the rate indicator stopped flashing on the meter during on-peak periods. As stated in the supplemental filing, DEC coordinated with the meter vendor to recreate the issue in a lab environment. The root cause was ultimately determined to be a problem in the meter's display firmware that causes the rate indicator to stop flashing after the meter goes through a season change (i.e., Winter to Summer, or Summer to Winter). Further testing confirmed that although the rate indicator stopped flashing on the display, the meter was recording usage in the correct TOU register, and all other meter functions were operating correctly. The meter vendor has logged a ticket to resolve the meter display issue and is working to schedule the fix. The Company respectfully submits that, subject to this vendor fix, all TOU issues have been addressed.

Notification Response:

DEC has investigated public comments filed by five customers in this docket who stated that the Company installed a smart meter without prior notification to the resident. DEC has reviewed each such letter and has reviewed the smart meter notice and installation records and information for each customer in the Company's records. Three of the customers filed public comments on September 20, 2017, October 6, 2017 and March 23, 2018. These customers were mailed notification letters on June 19, 2017, July 31, 2017 and October 19, 2017, respectively. Smart meters were never installed for these customers, and they were all placed on the bypass list.

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Another customer filed comments on January 8, 2018. This customer was mailed a notification letter on November 27, 2017, and a smart meter was installed on January 4, 2018. The Company received notice of this customer's comments post-installation, changed the meter back to a non-smart meter on January 12, 2018, and placed the customer on the bypass list.

Finally, a customer filed comments on January 26, 2018. This customer's smart meter had been installed on September 2, 2015. This customer should have been mailed a notification letter as part of DEC's standard process; however, the installation notice for this customer is no longer available in the Company's records due to the passage of time. As such, the Company is unable to confirm the date the customer notice was mailed.

In summary, DEC's investigation has confirmed that four of the customers who filed comments with the Commission were mailed prior notification letters, but DEC no longer retains the notification letter for the remaining customer due to the passage of time and therefore cannot conclusively demonstrate that it was mailed. The Company will continue to provide notification to customers prior to smart meter installation and work with any customer when notification issues arise.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Response to TOU and Prior Notification Issues, in Docket Nos. E-7, Sub 1115 and E-100, Sub 147, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the following parties:

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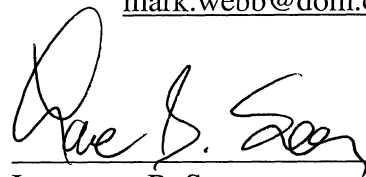
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This is the 27th day of July, 2018.



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