

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 834

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Duke Energy Progress,)	
Inc., for Approval of Meter-Related)	ORDER MODIFYING PROGRAM
Optional Programs)	

BY THE COMMISSION: On October 4, 2018, Duke Energy Progress, LLC (DEP or the Company), filed a request for approval to revise the Meter-Related Optional Programs Rider MROP (Rider MROP) to (1) offer a new program to customers desiring a non-communicating meter (the Manually Read Metering or MRM option), and (2) restrict the availability of the TotalMeter program to current participants. Both revisions are being proposed in conjunction with the Company's deployment of advanced metering infrastructure (AMI) that began in May 2018.

DEP stated that its multi-year AMI meter deployment would provide customers with more information on how they use energy, as well as provide for the remote connection and disconnection of utility service. DEP further stated that its AMI meter deployment would provide increased choice for energy delivery, billing, and other services in the future.

DEP stated that the proposal to offer a non-communicating meter was made in response to customer concerns regarding exposure to radio frequency emissions and privacy issues associated with AMI meters. DEP's proposal would provide customers with the option of having a non-communicating meter that would be read manually by a meter reader visiting the customer's premise. Service under Rider MROP would be limited to residential customers served under Schedule RES, and non-residential customers served under Schedule SGS.

DEP proposed to charge customers an initial setup fee of \$170 and a monthly rate of \$14.75 for the non-communicating meter service under Rider MROP. DEP also proposed to waive the fees related to the non-communicating meter under Rider MROP under terms and conditions that are consistent with the terms and conditions approved by the Commission for Duke Energy Carolinas, LLC (DEC) in Docket No. E-7, Sub 1115 (Sub 1115).

With regard to DEP's request to revise the TotalMeter program, DEP stated that it was restricting the availability of the TotalMeter program to current customers. The TotalMeter program employs cellular telephone communication technology to provide

customers with their usage data. DEP stated that with the deployment of AMI meters, the same service would be available at no charge.

On October 30, 2018, DEP revised its proposed Rider MROP tariff to include language stating that the Company would seek Commission approval for any changes needed to Rider MROP due to obsolescence of equipment or to make available a more efficient alternative to services under Rider MROP, and that it would give participants advanced notice of any such changes to their service under Rider MROP.

The Public Staff presented this matter at the Commission's January 22, 2019 Regular Staff Conference. The Public Staff stated that it had conducted discovery on and reviewed DEP's proposed revisions in the same manner as it had reviewed DEC's AMI opt-out request in Sub 1115, taking notice of the Commission's orders of June 22, 2018, and September 4, 2018, (Sub 1115 Orders) in that docket. The Public Staff indicated support for the availability of an AMI opt-out policy, and stated that it was appropriate for DEP to recover the incremental costs of implementing such a policy through a one-time enrollment fee and an ongoing monthly fee.

The Public Staff also stated that it generally agreed that DEP's proposed initial setup fee, monthly fees, and early termination charge were cost-based, accurately calculated, and consistent with the cost inputs used in DEP's last general rate case in Docket No. E-2, Sub 1142. The Public Staff further stated that DEP's assumptions regarding the opt-out participation rate were consistent with the assumptions used by DEC in Sub 1115. The Public Staff recommended that consistent with the Sub 1115 Orders, the Commission require DEP to file an analysis to determine the ongoing appropriateness of the fees and charges by December 31, 2022, or in DEP's next general rate case, whichever occurs first; participants be allowed to pay the initial setup fee over a six-month period; and DEP be required to update the Company's website and other customer information related to AMI meters to include information on the provisions of MRM option of Rider MROP that relate to manually read metering and non-communicating AMI meters.

In addition, the Public Staff noted that the proposed MRM option of Rider MROP limited the availability to residential customers served under Schedule RES, non-residential customers served under Schedule SGS, customers with demand meters, and net metered customers. The Public Staff also noted that the Commission rejected similar conditions on availability in Sub 1115. The Public Staff noted that DEP intends to use a non-communicating meter to provide service to customers who do not want service through an AMI meter, but the lack of communications capabilities should not inhibit the meter's ability to continue to register demand, on- or off-peak periods, or other features for manual meter reading and billing purposes. Therefore, the Public Staff recommended that DEP revise the MRM option of Rider MROP to allow participation by residential customers served under any residential rate schedule, and non-residential customers served under Schedule SGS, consistent with the Sub 1115 Orders.

The Public Staff further stated that it did not object to DEP's request to close the TotalMeter Program in Rider MROP to new participants. However, the Public Staff

indicated that if the deployment of AMI would provide the same level of service at no charge, then DEP should proactively transfer any customers enrolled in the TotalMeter Program to AMI, cease charging the customer for the TotalMeter Program, and close this option of Rider MROP as soon as AMI metering was available and the technical requirements of the AMI deployment allow the transfer to be accomplished as soon as possible.

The Public Staff also summarized the 74 letters filed by customers in the docket as of January 10, 2019. The Public Staff stated that 84% were related to concerns over the exposure to radio frequency and its impact on their health. The remaining letters were associated with various concerns such as (1) not wanting an AMI meter; (2) privacy; (3) the requirement for a doctor's and notary's signatures; and (4) lack of choice for an alternative meter such as an analog meter. The Public Staff concluded by stating that it believed Sub 1115 appropriately addressed many of these concerns, and recommended that the Commission approve DEP's proposal in a manner that was consistent with Sub 1115.

After careful consideration, the Commission finds good cause to approve DEP's modifications to Rider MROP as recommended by the Public Staff. Many of the same issues in this proceeding were previously addressed by the Commission in the Sub 1115 Orders, the rationale for which should also be applicable to DEP's modified Rider MROP. The Commission further finds that DEP's proposed MRM option to Rider MROP generally complies with the terms and conditions approved for DEC in the Sub 1115 Orders, including the application of the one-time and monthly fees, allowing participants to pay the one-time fee over a six-month period, and updating information on the Company's website to include information about the MRM option of Rider MROP.

The Commission further concludes that the fees associated with the MRM option of Rider MROP should be revisited within the next three years, or in DEP's next general rate case, whichever comes first. Additionally, the Commission will require DEP to modify its Rider MROP to expand the availability to all residential customers, as recommended by the Public Staff and consistent with the Sub 1115 Orders.

Regarding the TotalMeter Program of Rider MROP, the Commission finds that the proposed modifications are reasonable. However, the Commission agrees with the Public Staff that DEP should proactively transfer any customers enrolled in the TotalMeter Program to an AMI meter and cease charging the customer for the TotalMeter Program, and close this option of Rider MROP as soon as AMI metering becomes available to all customers currently on Rider MROP.

IT IS, THEREFORE, ORDERED as follows:

1. That DEP shall re-file its proposed Rider MROP consistent with this Order on or before February 1, 2019, along with a proposed plan and schedule for implementing the modifications to Rider MROP, including any forms DEP proposes to use to enroll customers in the MRM option of Rider MROP;

2. That DEP shall update the smart meter portion of its website to include information about the MRM option of Rider MROP;

3. That DEP shall include in its annual Smart Grid Technology Plan filing details of smart meter malfunctions or problems, and the number of customers enrolled in each option of Rider MROP; and

4. That DEP shall file an analysis of the MRM option of Rider MROP charges on or before January 31, 2022, or in its next general rate case, whichever occurs first.

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of January, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Jan H. Ful", is positioned above the printed name of the Deputy Clerk.

Janice H. Fulmore, Deputy Clerk

Commissioner ToNola D. Brown-Bland did not participate in this decision.