

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1146

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application of Duke Energy Carolinas,)	ORDER ACCEPTING REVISED
LLC, for Adjustment of Rates and)	RATE DESIGN PLAN
Charges Applicable to Electric Utility)	
Service in North Carolina)	

BY THE COMMISSION: On June 22, 2018, the Commission issued an Order Accepting Stipulation, Deciding Contested Issues and Requiring Revenue Reduction (Rate Order) in the above-captioned docket, a general rate case filed by Duke Energy Carolinas, LLC (DEC). In Finding of Fact No. 39 of the Rate Order, the Commission found:

DEC should be required to design and propose new rate structures to capture the full benefits of AMI [advanced metering infrastructure].

Rate Order, at 19.

In Ordering Paragraph No. 29 of the Rate Order, the Commission directed DEC to file the details of proposed new time-of-use, peak pricing, and other dynamic rate structures (advanced rate designs) within six months. Id. at 331.

On Dec. 21, 2018, DEC filed its Report on Plans for AMI and Customer Connect Enabled Rate Design (Report). The Report included a background section that cited testimony of DEC's witnesses about AMI and DEC's new customer data and billing system, Customer Connect. DEC stated that it anticipated full deployment of Customer Connect by September 2022, and that Customer Connect is more than a billing system. DEC stated that Customer Connect will provide a website that allows customers to access their meter data, make bill comparisons, and select a rate schedule most suited to their needs. Moreover, DEC stated that load research data is available for all customer classes, and that this data could be used to create new rate designs, but that it is preferable to also have two years of AMI data.

In the Report, DEC provided a summary of its existing time-of-use and demand response rate offerings. In addition, DEC stated that it will focus on several factors in developing new rate designs, including customer choices, appropriate pricing signals, and support of customer technology options. Further, DEC stated that within nine months, or in its next general rate case, whichever came first, DEC would propose at least two new pilot rate designs. DEC also provided a time line for its rate design work plan. In summary, the time line showed several components of DEC's rate design work and the date that each step would be finalized, beginning with installation of AMI meters to be completed by July 2019, proposed final advanced rate designs by March 2022, and final approval of the rate designs by the Commission in July 2022.

On January 30, 2019, the Commission issued an Order Declining to Accept Rate Design Plan, Requiring Compliance Filing, Scheduling Hearing, and Requiring Coordination with Public Staff (Rate Design Order). In summary, the Commission concluded that DEC had not complied with the Rate Order directive to file proposed new advanced rate designs within six months. Further, the Commission stated that it was not persuaded that it would be reasonable for DEC to take until March 2022 to propose final advanced rate designs. As a result, the Commission ordered DEC to provide witnesses to answer the Commission's questions and provide additional details on DEC's advanced rate designs at a hearing on February 26, 2019, and to file proposed pilot advanced rate designs and a revised plan for establishing permanent advanced rate designs by April 1, 2019.

The February 26, 2019 hearing was held as scheduled. On April 1, 2019, DEC filed tariffs for nine proposed advanced rate design pilots, and its revised work plan for establishing permanent advanced rate designs. Among other changes, DEC's revised work plan for establishing permanent advanced rate designs moves the implementation of Customer Connect up by one year, to June 2021, and moves the implementation of DEC's new rates up to July 2021.

On April 22, 2019, the Commission issued an Order Requiring Additional Information, requiring DEC to answer 25 questions about its revised work plan and to provide other information. On May 23, 2019, DEC filed its responses to the Commission's questions and attached a Time-of-Use and Seasonal Pricing Study dated February 2018.

On July 2, 2019, the Commission issued an Order Approving Pilots that approved DEC's nine proposed advanced rate design pilots, with modifications proposed by the Public Staff and accepted by DEC.

On July 9, 2019, DEC filed the compliance tariffs for its pilot programs.

Based on the foregoing and the record, the Commission concludes that DEC's revised work plan complies with the requirements of the Rate Design Order and should be approved.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 29th day of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in blue ink, appearing to read "Janice H. Fulmore".

Janice H. Fulmore, Deputy Clerk