

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1290

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Duke Energy Progress, LLC's)	THE PUBLIC STAFF'S COMMENTS
Application for Approval of Proposed)	
Prepaid Advantage Program)	

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission (Public Staff), by and through its Executive Director, Christopher J. Ayers, pursuant to the Commission's Order Requesting Comments issued in this docket on October 4, 2022, and respectfully submits the following comments.

BACKGROUND

1. On August 26, 2022, Duke Energy Progress, LLC (DEP or the Company) filed with the Commission an Application (Application) for Approval of Proposed Prepaid Advantage Program (Program) in the above-referenced docket. The Program is being proposed as a voluntary payment option for residential customers on a non-time-of-use rate schedule where DEP has installed a smart meter. The Program would allow customers, in pertinent part, to: (1) lower their upfront cost of establishing service by avoiding a traditional deposit, if one would otherwise be required; (2) monitor their usage and electricity costs on a daily basis through an internet connected device; (3) set notification preferences; (4) have more choice with payment frequency and flexibility with the payment amounts; (5)

avoid bill surprises with unusual weather-related changes in usage; and (6) have their service restored faster through remote capability if service is disconnected.

2. The Application provides, as background, discussion of an almost identical program offered by Duke Energy Carolinas, LLC (DEC), which the Commission approved on March 31, 2021, in Docket Nos. E-7, Subs 1213 and 1214. DEC's Prepaid Advantage Program, which became effective beginning August 5, 2021, had 70 customers enrolled as of September 2022.¹

3. The Application indicates that customers with outstanding balances of less than \$500 may voluntarily enroll in the Program and may return to a post-pay account at any time. However, any return to a post-pay account may require the customer to pay a deposit consistent with Commission Rules relating to deposits. Customers served under Rider NM (net metering), enrolled in a budget billing or payment, have an active deferred payment installment plan exceeding \$500, or who are identified by a medical alert code pursuant to Commission Rule R12-11(q), are not eligible to participate in the Program.

4. To participate in the Program, customers must make an initial minimum payment of \$40. For customers with existing outstanding balances, any cash deposit, plus any accrued interest, will be applied to the outstanding balance. Any remaining credit balance will be applied to the customer's Prepaid Advantage account. To address any outstanding balance that a customer might have when transitioning to the Program, payments will be applied with 25% of any payment

¹ See DEC's Prepaid Advantage Program Quarterly Report filed in Docket No. E-7, Sub 1213 on October 27, 2022.

amount going towards the outstanding balance and the remaining 75% of that payment going toward future utility service. If there is no outstanding balance or arrearage, 100% of the payment will be applied to future utility service. New customers will be required to pay the standard connection fee that is required of all accounts.

5. Using data recorded by the smart meters, a customer's daily energy consumption will be charged based upon the customer's rate and deducted from their account. If the account falls below \$0.00, the customer will have one business day to make a payment. If no payment is received, the electric service will be disconnected remotely no earlier than 3:00 p.m. on the following business day after the account balance reaches \$0.00, unless that day falls on a Friday, a state or federal holiday, or the day before a state or federal holiday. If disconnection of service is delayed for any reason when the customer's account balance is zero, the customer will accrue a negative balance, and the negative balance must be paid along with a payment toward future service to maintain or restore service. Following payment, the service will be reconnected remotely, with an average reconnection time of approximately 15 minutes. Participants in the program will not have to pay a reconnection fee for a disconnect/reconnect.

6. Customers will have the option to make payments through existing channels using an online account portal, telephone, or cash payment locations. Use of the online account portal will enable customers to readily see their daily consumption and a projection of the number of days remaining before the participant reaches a \$0.00 balance based upon the customer's historical usage.

7. Customers will also be required to designate a preferred communication channel(s) (telephone, email, and/or text messaging) for DEP to communicate proactively with customers about their account balance. Notices will be sent when the Company projects that the account balance has five, three, and one day(s) of service remaining. Customers can choose to receive additional notices and can have multiple recipients notified, such as additional family members. Failure to receive a properly sent alert will not entitle the customer to additional time to pay to avoid interruption of service.

8. The Application also states that the rates and charges applicable to service under the Program will be deducted daily. The Program will be subject to the rates established in Schedule RES, including any flat rate charges per account (e.g., Basic Customer Charge and the Renewable Energy Portfolio Standard Rider) deducted on a daily, pro-rata basis.

9. Although the Company notes its belief that the Program should qualify as an Energy Efficiency (EE) program pursuant to N.C. Gen. Stat. § 62-133.9, the Application states that DEP is seeking approval of this Program as a billing option so that it can be made available to customers as soon as possible, and not as an EE program. The Company further states that it may seek approval of this program as an EE program or a negative-found-revenue activity in the determination of net-lost revenues in the future.

10. In conjunction with Program approval, DEP also requests, as outlined in Appendix A of its filing, waiver of Commission Rules R8-8; R8-20 (b), (c), and (d); R8-44(4)(d); R12-8; R12-9(b), (c), and (d); and R12-11 (a), (b), (f), (g),

(h), (i), (j), (k), (l), (m), (n), and (p), stating that these rules contemplate a traditional monthly paper bill and payment and disconnection procedures for bills rendered for usage previously incurred, and that compliance with such rules would be impossible or impractical.

THE PUBLIC STAFF'S REVIEW

11. The Public Staff's investigation included review of the Application with respect to N.C.G.S. § 62-32(a), the Commission Rules related to the requested waivers, and discovery responses received from DEP. As a result of its investigation, the Public Staff determines that the Program is substantively identical to DEC's previously approved Prepaid Advantage Program in Docket No. E-7, Sub 1213 and respectfully requests that the Commission consider the testimony of Public Staff witness Jack Floyd in that proceeding, particularly concerning the identified attributes of DEC's analogous program. In the DEC proceeding, witness Floyd requested that the Commission include a number of conditions to provide consumer protections which the Commission adopted. The Public Staff also confirmed that the design and implementation of the DEP Program is consistent with the requirements of the Commission's approval of DEC's Prepaid Advantage Program and that the conditions of service identified in the DEP Application were the same as those applicable to the Commission approved DEC Prepaid Advantage Program. Furthermore, the Public Staff does not oppose the various waivers of Commission Rules sought by the Company in this Application.

12. The Public Staff takes notice of the differences in the number of customers enrolled between DEC's Prepaid Advantage Program in North Carolina versus its Prepaid Advantage Program in South Carolina, which was approved by the Public Service Commission of South Carolina on April 22, 2015, in Docket No. 2015-136-E. While DEC's South Carolina program had approximately 2,500 participants as of June 2022, DEC North Carolina's program had merely 28 participants at the same time (which, as previously mentioned, has increased to 70 participants as of September 2022). DEP's Prepaid Advantage Program in South Carolina, which was approved by the Public Service Commission of South Carolina on January 27, 2022, in Docket No. 2021-347-E, did not have any participants enrolled as of June 2022. The Public Staff's investigation did not discover any particular reasons or obstacles that explain the lower levels of participation in the DEC North Carolina Prepaid Advantage Program as compared to the DEC South Carolina Prepaid Advantage Program. The Public Staff continues to review DEC's quarterly reports to understand who is participating and how customers are using the Prepaid Advantage Program.

13. The Public Staff further notes that a review of each of DEC's quarterly reports filed in Docket No. E-7, Sub 1213 demonstrates that none of the participants in DEC's Prepaid Advantage Program have been disconnected during their enrollment in the program.

14. Should the Company choose at a later time to file this Program as an EE program pursuant to N.C.G.S. § 62-133.9, the Public Staff would, at that

point, conduct its analysis in a manner that is consistent with other programs filed pursuant to N.C.G.S. § 62-133.9.

CONCLUSION AND RECOMMENDATION

15. The Public Staff respectfully recommends that the Commission approve the DEP Program as filed and that the Commission require DEP to provide quarterly reports on the performance of the Program by calendar month, consistent with the template used by DEC for reporting on its Prepaid Advantage program in Docket No. E-7, Sub 1213.

Respectfully submitted, this the 3rd day of November, 2022.

PUBLIC STAFF
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CERTIFICATE OF SERVICE

I certify that a copy of these Comments has been served on all parties of record or their attorneys, or both, in accordance with Commission Rule R1-39, by United States Mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 3rd day of November, 2022.

Electronically submitted
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