

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1219  
DOCKET NO. E-2, SUB 1280

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1219	)	
	)	
In the Matter of	)	
Application of Duke Energy Progress, LLC,	)	
for Adjustment of Rates and Charges Applicable	)	
to Electric Utility Service in North Carolina	)	ORDER APPROVING TIME
	)	OF USE RATE DESIGNS
DOCKET NO. E-2, SUB 1280	)	
	)	
In the Matter of	)	
Application of Duke Energy Progress, LLC,	)	
for Approval of Time of Use Rate Designs	)	

BY THE COMMISSION: On March 31, 2021, the Commission issued an Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice in Docket No. E-7, Sub 1214 (DEC Rate Order). On April 16, 2021, the Commission issued an Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice in Docket No. E-2, Sub 1219 (DEP Rate Order). The Rate Orders, among other things, approved proposals by Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP), to initiate a comprehensive rate design study (Rate Design Study), with the Public Staff and other interested stakeholders.

On May 7, 2021, DEC filed a petition (Rate Design Petition), in Docket Nos. E-7, Subs 1214 and 1253 requesting that the Commission approve three time of use (TOU) rate designs, as follows: (1) Residential Service: Time of Use with Critical Peak Pricing Schedules - RSTC for standard customers; (2) Residential Service: Time of Use with Critical Peak Pricing Schedules - RETC for all-electric customers; and (3) Small General Service: Time of Use with Critical Peak Pricing Schedule (SGSTC). The three TOU rate designs were derived in large part from nine TOU rate design pilot rates that were tested by DEC. After requesting comments on DEC's three TOU rate designs, the Commission approved them in an Order issued on August 25, 2021, in Docket Nos. E-7, Subs 1146 and 1253.

On September 30, 2021, DEP filed an application in Docket Nos. E-2, Subs 1219 and 1280 requesting approval of two proposed TOU rate designs to be effective for service provided on and after March 1, 2022: (1) Residential Service: Time of Use with Critical Peak Pricing Schedule R-TOU-CPP (RSTC), and (2) Small General Service: Time of Use with Critical Peak Pricing Schedule SGS-TOU-CPP (SGSTC).

In summary, DEP stated that its two proposed TOU rate designs are nearly identical in structure to the DEC residential and small general service TOU rate designs approved by the Commission. DEP stated that the TOU periods proposed by DEP reflect a refreshed analysis of TOU periods similar to DEC's analysis as described in DEC's Rate Design Petition. DEP stated that like DEC it took a forward-looking approach, considering not only current conditions but also how its system is expected to evolve over the next decade. According to DEP, multiple perspectives and goals were considered in crafting TOU periods that better reflect cost causation and the growing impact of solar generation, that create price signals and promote dynamic rate design offerings for electric vehicle charging, and that make it easier for customers to change their behavior or use technology to change their consumption pattern and create bill savings. DEP stated that its TOU period analysis has been discussed by the Fast Track Working Group as a part of the Rate Design Study and has been received with general support by the participating stakeholders. The final version of Duke Energy's TOU Period Technical Report analysis was attached to DEP's application as Exhibit 1.

DEP stated that unlike DEC it is proposing one rate design for all residential customers because that is consistent with existing residential rate designs offered by DEP and is compatible with the Energy Conservation Discount Rider. Further, DEP stated that the overall rate structure of its proposed TOU rate designs is consistent with that of DEC, with the exception that demand charges are not included in DEP's proposed Schedule SGS-TOU-CPP because all eligible customers have less than 30 kilowatts of peak demand. In addition, DEP stated that the pricing of its rate designs and certain policy provisions are unique to DEP. Finally, DEP provided additional details of its proposed TOU rate designs and attached its proposed tariffs as Exhibits 2 and 3.

On October 12, 2021, the Commission issued an Order Requesting Comments on DEP's TOU rate design proposals, and making all parties to Docket No. E-2, Sub 1219 parties to Docket No. E-2, Sub 1280 without the necessity of said parties filing a petition to intervene. Comments were filed by the Public Staff, and jointly by North Carolina Justice Center, North Carolina Housing Coalition, Southern Alliance for Clean Energy, and Natural Resources Defense Council (NCJC, *et al.*). A letter in lieu of reply comments was filed by DEP.

## **Summary of Comments**

### **Public Staff**

The Public Staff referred to the RSTC and SGSTC collectively as DEP's proposed TOU Schedules. The Public Staff stated that it worked closely with DEC and DEP in developing the TOU Schedules. Further, the Public Staff stated that the proposed TOU Schedules can produce meaningful beneficial shifts in energy consumption and customer behavior similar to DEC's TOU rate designs. In addition, the Public Staff stated that DEP and DEC discussed the proposed TOU rate designs, including the period of peak hours, the number of days a critical peak period can occur, and other aspects of the proposed TOU Schedules with the Rate Design Study Collaborative. Based on its review, the Public Staff recommended that the Commission approve DEP's TOU Schedules as filed.

## **NCJC, *et al.***

NCJC, *et al.*, stated that it supports DEP's proposed TOU Schedules, and it referenced and incorporated its previous comments in support of DEC's TOU Schedules. Further, NCJC, *et al.*, stated that in addition to supporting the TOU Schedules, it requests that DEP: (1) take steps to make the new rate offerings more accessible to low-income households; (2) continue to avoid residential demand charges in its residential rate offerings; and (3) work with stakeholders to provide additional rate offerings that will benefit customers for electric vehicle charging at off-peak times even when such customers do not choose the TOU Schedules for electric service to their entire household.

## **DEP**

DEP noted that the Public Staff and NCJC, *et al.*, support the approval of DEP's TOU Schedules as filed. With regard to the comments of NCJC, *et al.*, DEP stated that it is addressing the NCJC, *et al.*, comments through the Rate Design Study Collaborative and the Low Income Affordability Collaborative.

## **Conclusions**

Based on the foregoing and the record in these dockets, the Commission concludes that there is good cause to approve DEP's TOU Schedules as attached to DEP's petition, effective for service rendered by DEP on and after March 1, 2022. In addition, the Commission finds good cause to direct that the Rate Design Study ordered in the Rate Orders should include a review of the DEP TOU Schedules, and suggestions for further refinement of the TOU Schedules if found appropriate during the Study.

IT IS, THEREFORE, ORDERED as follows:

1. That DEP's TOU Schedules shall be, and are hereby, approved for service provided by DEP on and after March 1, 2022; and
2. That the Comprehensive Rate Design Study shall include a review of the DEP TOU Schedules, and suggestions for further refinement of the TOU Schedules if found appropriate during the Study.

ISSUED BY ORDER OF THE COMMISSION.

This the 6th day of January, 2022.

NORTH CAROLINA UTILITIES COMMISSION



Erica N. Green, Deputy Clerk