

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, Sub 147

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
2016 Biennial Integrated Resource Plans) ORDER REQUIRING SMART METER
and Related 2016 REPS Compliance) PLAN PRESENTATION BY DUKE
Plans) ENERGY CAROLINAS, LLC

BY THE COMMISSION: On March 29, 2017, the Commission issued an Order Accepting Smart Grid Technology Plans in the above-captioned docket (SGTP Order). In summary, the SGTP Order reviewed and accepted the 2016 SGTPs filed by Duke Energy Carolinas, LLC (DEC), Duke Energy Progress, LLC (DEP), and Dominion Energy North Carolina (DENC, previously d/b/a Dominion North Carolina Power or DNCP). However, the Commission cited several requirements of Commission Rule R8-60.1 with respect to the information to be provided by the electric public utilities for smart grid technologies currently being deployed or scheduled for implementation within the next five years, and stated:

Neither DEC, DEP nor DNCP included the above information in their 2016 SGTPs with regard to any future plans for deployment of AMI meters. The Commission interprets this to mean that DEC, DEP and DNCP currently have no plans to replace existing meters with AMI meters, either incrementally or on full scale, during the next five years. As a result, the Commission expects DEC, DEP and DNCP to provide the Commission with the above information, as well as any other required information, in their SGTP filings prior to implementing an incremental or full scale effort to replace existing meters with AMI meters.

SGTP Order, at p. 17.

On May 5, 2017, DEC and DEP filed supplemental information regarding DEC's and DEP's 2016 SGTPs. In summary, DEC advised the Commission that in late 2016 it decided to begin a full scale deployment of AMI meters in North Carolina, that it began implementing that decision in early 2017, and that it expects to complete its AMI deployment in North Carolina in 2019. DEC attached a cost-benefit analysis and other information regarding its decision to deploy AMI meters. With regard to DEP, the supplemental filing stated that DEP has not made a decision to deploy AMI meters.

Pursuant to Commission Rule R8-60.1(d)(1), the Commission may schedule SGTP presentations by the utilities.

Based on the foregoing and the record, the Commission finds good cause to require DEC to appear before the Commission on Monday, September 18, 2017, at 2:00 p.m., in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, to make a SGTP presentation and answer Commission questions regarding DEC's decision to deploy AMI meters. In particular, the Commission requests that during the presentation DEC provide responses, including written information where specified, to the questions attached hereto as Attachment A.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 21st day of August, 2017.

NORTH CAROLINA UTILITIES COMMISSION



Linnetta Threatt, Acting Deputy Clerk

Commissioner Daniel G. Clodfelter did not participate in the decision in this matter.

Commission Questions

1. Provide the information for the DEC AMI deployment required in Commission Rule R8-60.1(c)(3)(i), (iv), (v), (vii); and (7)(iii) and (iv). Please document your responses with all written policies, guidelines and workpapers that DEC has produced in support of its compliance with the requirements of the above rules. All workpapers should be filed in electronic format, with formulas intact.
2. Exhibit C, page 2, item 9 of the May 5, 2017 supplemental filing is entitled "Reduce non-technical distribution losses." Explain fully the inputs and methodology for the calculation of the AMI "Total Savings" stated in item 9. Please provide all documents and workpapers supporting DEC's methodology and calculations.
3. With regard to line 2 of Exhibit A, and item 9 of Exhibit C, how much of the \$9 million in estimated benefits for 2017 has DEC achieved, and in what areas (theft prevention, non-performing/under-performing meters, etc.)?
4. In item 9 of Exhibit C, DEC cites the results from a 2008 EPRI study entitled "AMI Technology: Limiting Non-Technical Distribution Losses in the Future" as input to the cost-benefit analysis. Did DEC independently evaluate its own experience with AMI to determine the validity of this significant value input to the cost-benefit analysis? If so, provide all documents and workpapers that support DEC's independent evaluation.
5. On page 2 of the supplemental filing, DEC states that the new AMI meters have a "planned life of approximately 15 years." Explain how the costs of replacing the meters after 15 years is reflected in the cost-benefit analysis.
6. On Exhibit C, page 2, the cost-benefit analysis shows "Total Savings (20 years)." With a planned life of 15 years, why is 20 years used for calculating AMI savings?
7. On pages 1-2 of the supplemental filing, DEC discusses the possibility of additional customer services provided by AMI deployment. Explain fully whether and how all of the costs for developing and deploying those services are included in the cost-benefit analysis.
8. Do the costs stated in the cost-benefit analysis include the full costs of purchasing and maintaining the software and other technology required to fully capture and transfer all data needed to support the planned functions to be performed by DEC's AMI meters? Please provide all documents and workpapers supporting your response.
9. During the AMI rollout what percentage of AMR meters is DEC finding that have been tampered with or bypassed? What actions is DEC taking in those instances?
10. Is DEC monitoring whether its AMI meters are being tampered with, hacked or bypassed in North Carolina or other states? If so, how is that monitoring being performed?
11. How many times each day and for what length of time for each occurrence is DEC gathering data from each AMI meter? Will this change over time? Explain fully.