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February 18, 2022

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4300

**RE: Duke Energy Carolinas, LLC Informational Filing on Net Metering
June 1 Reset
Docket No. E-100, Sub 83**

Dear Ms. Dunston:

On July 14, 2021, Duke Energy Carolinas, LLC (“DEC” or “Company”) became aware of a customer complaint alleging improper billing for customers on the Net Metering Rider (“Rider NM”) regarding the reset of annual excess kWh credit on June 1st (June 1 Reset)¹. The customer’s complaint specifically alleged that DEC was not resetting excess credits on June 1, but rather, was resetting excess credits at the end of the customers’ billing cycle, which included June 1, resulting in the customer’s account not accurately reflecting correct carryover on their bill. The Public Staff of the Utilities Commission (“Public Staff”) requested that DEC investigate the customer complaint as well as its June 1 Reset billing practices and how many total customers might be impacted².

DEC promptly investigated the customer complaint and its billing practices regarding the June 1 Reset and confirmed the customer’s allegation that the Company was resetting credits in the June billing cycle and not resetting on June 1st in accordance with the NM Rider (“Reset Error”)³. DEC discovered that 3,911 customers were impacted by the Reset Error from 2016 through 2021 and the Company owed a credit or refund for the Reset Error in accordance with Commission Rule R8-44. The Reset Error was the result of

¹ DEC’s Rider NM in the RATE section, item III regarding the annual excess kWh credit reset states “[e]ffective with the seasonal rate change on June 1 of each year, any accrued credit will be reset to zero.”

² The Public Staff requested that the Company investigate any potential billing impact to TOU and non-TOU customers under the NM Rider in both DEC and Duke Energy Progress, LLC (“DEP”).

³ Upon completion of the investigation, the Public Staff and Company concluded that the Billing Error only impacted DEC’s non-TOU customers.

limitations in DEC's legacy billing system and how it processed the June 1 Reset on customer accounts.

The Company had discussions with the Public Staff regarding the results of the investigation as well as the appropriate method to calculate refunds and credits for impacted customers and, based on those discussions, DEC determined that the Reset Error resulted in a total overcharge of \$110,491.95 with the average customer refund or credit totaling approximately \$28.26⁴. The impacted customers will receive an Email⁵ notifying them of the Reset Error and will inform each customer that they will receive a credit to their billing account or a refund check as appropriate ("Customer Email"). A copy of the credit and refund Customer Email(s) is attached as an Exhibit to this filing. The Company will apply the credit or issue the refund to impacted customers on or before March 7, 2022.

For June 1, 2022, the Company is working to update the billing system and metering processes to perform the reset in accordance with Rider NM. If DEC is unable to have the necessary billing system and/or metering process updates in place prior to June 1, 2022, the impacted customers will receive an additional credit on their account or refund at that time.

This plan has been discussed with members of the Public Staff and the Public Staff agrees with the relief provided to impacted customers.

DEC respectfully submits this filing for informational purposes only and no action is required by the Commission.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,



Kathleen H. Richard

Enclosures

cc: Parties of Record

⁴ The Company agreed to adopt the Public Staff's proposal to calculate overcharges going back to the June 2016 reset. June 2016 was agreed upon because it is 12 months prior to when a similar customer complaint was brought to DEC's attention and promptly resolved by the Company on individual customer basis in August 2017. Additionally, the total overcharge amount includes the excess generation credited or compensated at the kWh rate applicable at that time, plus annual interest of 10% and a sales tax of 7%.

⁵ For the small minority of accounts that the Company does not have an email address on file, the Company will mail the same notification in letter format to the customer's physical address.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC Informational Filing on Net Metering June 1 Reset in Docket No. E-100, Sub 83 has been served by electronic mail (e-mail), hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to the parties of record.

This the 18th day of February 2022.



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[Subject]

[Preheader text]

[Headline]

Dear Duke Energy Net Metering customer,

We have mailed a refund check to you. As stated in Rider NM, effective with the seasonal rate change on June 1 of each year, any excess generation credit a Net Metering customer accumulates will be reset to zero. As a result of the reset, the excess generation is compensated at the kWh rate applicable at that time, plus annual interest of 10% and a sales tax of 7%.

From 2016 to 2021, Duke Energy reset excess generation at the end of the June billing cycle, rather than on June 1. The refund we have issued represents the amount you would have been compensated for between 2016 and 2021 if your carryover credit had been calculated as of June 1, as opposed to at the end of the June billing cycle.

We calculated your refund by determining your kilowatt-hour excess generation in 2021 (as applicable) in our new billing system. Then we applied the same assumptions to all years that you were a Net Metering customer between 2016 and 2020. For customers who were no longer Net Metering customers as of May 31, 2021, we estimated the excess generation to be credited based on the excess generation of similar customers.

If you have any questions about Net Metering billing, please reach out to the Renewable Service Center between 8 a.m. and 5 p.m. by calling 866.233.2290.

[Subject]

[Preheader text]

[Headline]

Dear Duke Energy Net Metering customer,

We have issued an account credit to you. As stated in Rider NM, effective with the seasonal rate change on June 1 of each year, any excess generation credit a Net Metering customer accumulates will be reset to zero. As a result of the reset, the excess generation is credited at the kWh rate applicable at that time, plus annual interest of 10% and a sales tax of 7%.

From 2016 to 2021, Duke Energy reset excess generation at the end of the June billing cycle, rather than on June 1. The credit we have issued represents the amount you would have been compensated for between 2016 and 2021 if your carryover credit had been calculated as of June 1, as opposed to at the end of the June billing cycle.

We calculated your credit by determining your kilowatt-hour excess generation in 2021 (as applicable) in our new billing system. Then we applied the same assumptions to all years that you were a Net Metering customer between 2016 and 2020. For customers who were no longer Net Metering customers as of May 31, 2021, we estimated the excess generation to be credited based on the excess generation of similar customers.

For June 1, 2022, we are working to update the billing system and metering processes to perform the reset according to the terms of Rider NM. If we are unable to modify the billing system and/or metering processes prior to June 1, 2022, you will receive another credit posted to your account at that time.

If you have any questions about Net Metering billing, please reach out to the Renewable Service Center between 8 a.m. and 5 p.m. by calling 866.233.2290.