

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1219

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Petition by Duke Energy Progress, LLC,	)	ORDER MODIFYING SERVICE
for Approval of Modifications to Service	)	REGULATIONS
Regulations	)	

BY THE COMMISSION: On December 16, 2021, Duke Energy Progress, LLC (DEP), filed a request to modify its Service Regulations to eliminate the minimum bill provision related to contract demand. The modification would clarify that new customers and customers modifying their contract demands would not be billed on the basis of contract demand in the first 12 months of service following the initiation or modification of service loads. No other modifications are proposed.

DEP states that with the implementation of the Customer Connect billing system, it found that new customers or customers amending their contract demands could immediately be charged a minimum bill based on their contract demands, rather than their actual billing demands. The modification would allow these customers to receive bills for the first 12 months of service based on their actual billing demands rather than contract demands.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on January 31, 2022. The Public Staff stated that it had reviewed the request and believed it to be reasonable. This proposed modification, which applies to non-residential customers, would allow these customers to ramp-up loads to their new contract demands without being adversely impacted during the initial 12-month ramp-up period. Thus, the proposed modification provides a 12-month grace period for customer loads to grow into the contract demand before the contract demand provisions of the minimum bill apply.

The Public Staff noted that during its investigation in the Sub 1219 rate case, data indicated that approximately 800 non-residential customers were impacted by the provisions of minimum bill. While the record from the rate case did not distinguish between minimum bill impacts on new customers versus existing customers, the Public Staff believes that the proposed modification would have minimal impact on the non-residential customer classes and revenues.

The Public Staff also noted that in Docket No. E-7, Sub 1214, Duke Energy Carolinas, LLC (DEC), made a similar filing to modify its rate schedules to allow a similar ramp-up over four months. At the time, the Public Staff asked why DEC and DEP were

maintaining the differing ramp-up period lengths. DEP indicated that due to the differing structures of the non-residential rate schedules for each Company, it was not necessary to align these minimum bill ramp-up periods. DEC's non-residential schedules reflect changes in customer loads and load factors sooner than do DEP's non-residential schedules. In other words, the minimum bill provisions impact DEP's customers sooner, thus necessitating a modification to allow a longer ramp-up period. The next general rate cases for each Company will provide an opportunity for further alignment of their respective ramp-up periods.

DEP's tariffs invoke the minimum bill provision based on a minimum peak demand of 25 kW or 75% of contract demand, whichever is greater, while DEC's tariffs generally base the minimum bill on a peak demand of 30 kW or 50% of the contract demand, whichever is greater. DEC's Schedule OPT is similar but also includes an "economy demand" charge that is the difference between the on-peak billing demand and the greater of the maximum 15-minute demand or 50% of the contract demand.

Based on the foregoing, the Commission is of the opinion that DEP's request to modify the Service Regulations should be approved as filed.

IT IS, THEREFORE, ORDERED:

1. That DEP's proposed modification to the Service Regulations is hereby approved as filed, effective this date;
2. That DEP shall address alignment of DEP's and DEC's minimum bill provisions in DEP's next general rate case; and
3. That DEP shall file with the Commission, within 10 days following the date of this order, a revised Service Regulations showing the effective date.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of February, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Erica N. Green". The signature is fluid and cursive, with the first name "Erica" being more prominent.

Erica N. Green, Deputy Clerk