



Kendrick C. Fentress
Associate General Counsel

NCRH 20 / P.O. Box 1551
Raleigh, NC 27602

o: 919.546.6733

Kendrick.Fentress@duke-energy.com

August 5, 2022

VIA ELECTRONIC FILING

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

**RE: Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's
Notification of Expiration of State of Emergency and Reinstatement of
Late Payment Fees
Docket Nos. E-7, Sub 1236; E-2, Sub 1228; M-100, Sub 158; E-7, Sub
1241 and E-2, Sub 1258**

Dear Ms. Dunston:

This letter is to notify the Commission that on July 12, 2022, it was reported that Governor Roy Cooper would lift the State of Emergency established by Executive Order No. 116 ("EO No. 116") on August 15, 2022.¹ As explained in more detail below, with the lifting of the State of Emergency, Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (collectively, the "Companies") are prepared to initiate the application of late payment charges on both residential and non-residential customer bills, as allowed by Commission Rule R12-9², for electric public utility service rendered on or after September 1, 2022, consistent with the Commission's orders in the above-captioned dockets. This notification is from DEC and DEP only; Piedmont Natural Gas Company, Inc. ("PNG") is not included in this notification.

Background

Over two years ago, on March 10, 2020, EO No. 116 established a State of Emergency in North Carolina in response to the Covid-19 pandemic. Soon after Governor Cooper issued EO No. 116, most of the major electric, natural gas, water, and wastewater utilities regulated by the Commission, including the Companies, notified the Commission

¹ [Why NC's COVID-19 state of emergency ends in August 2022 | Raleigh News & Observer \(newsobserver.com\)](https://www.newsobserver.com/news/stories/nc-2022-08-05/why-ncs-covid-19-state-of-emergency-ends-in-august-2022/)

² Commission Rule R12-9(d) provides in pertinent part that "[n]o interest, finance, or service charge for the extension of credit shall be imposed upon the consumer or creditor if the account is paid within twenty-five (25) days from the billing date. No utility shall apply a late payment, interest, or finance charge to the balance in arrears at the rate of more than 1% per month. The bill shall clearly state the interest rate or the amount that would be due if not paid within the allowed amount of time, including the interest, finance or service charge. All utilities must apply the appropriate interest, finance, or service charge on a uniform basis."

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that they were suspending disconnection of their respective utility services for non-payment in recognition of the State of Emergency and to avoid creating additional hardships for their customers. In the Companies' March 19, 2020 notification to the Commission on this matter, in Docket Nos. E-7, Sub 1236, E-2, Sub 1228 and G-9, Sub 767, the Companies, along with PNG, also requested a Commission order allowing them to suspend late payment charges to residential and non-residential customers who did not pay their bills on time to prevent the added burden of a late payment charge on these customers in light of the ongoing pandemic.

On March 19, 2020, the Commission issued its *Order Suspending Utility Disconnections for Non-Payment, Allowing Reconnection, and Waiving Certain Fees*, in Docket No. M-100, Sub 158 ("Public Utility Waiver Order"). In the Public Utility Waiver Order, the Commission stated, among other things, that customers shall not be charged any late fees for late payment of arrearages accrued during the State of Emergency ("Late Fee Moratorium").³

On March 31, 2020, Governor Cooper issued Executive Order No. 124 ("EO No. 124"), in which he noted it was "in the best interest of the people of North Carolina to enact, for all utilities, prohibitions and restrictions similar to and consistent with, the Commission's [Public Utility Waiver Order]." EO No. 124 at 2 [pages unnumbered]. EO No. 124 defined Utility Service Providers as including, among others, municipalities, cooperatives, and investor-owned utilities that provide electric, natural gas, water, or wastewater services to end-use residential customers. EO No. 124 at § 1(A)(1)-(2). In pertinent part, EO No. 124 suspended disconnections of residential customers based on nonpayment and also prohibited late fees on arrearages accumulated while EO No. 124 was in effect. Further, EO No. 124 stated that the moratorium on disconnections would expire in 60 days unless suspended or rescinded by a subsequent EO. *Id.* at § 1(G). On May 30, 2020, through Executive Order No. 142 ("EO No. 142"), Governor Cooper extended the May 30, 2020 expiration date of EO No. 124 to midnight July 29, 2020. In addition, EO No. 142 clarified, among other things, that no late fees should be imposed on arrearages accumulated during the effective period of EO No. 142.

On July 29, 2020, the Commission issued its *Order Lifting Disconnection Moratorium and Allowing Collection of Arrearages Pursuant to Special Repayment Plans*, in the above-captioned dockets. In that order, the Commission clarified that the Late Fee Moratorium shall continue in effect "through the end of the State of Emergency or until further order of the Commission." *Id.* at Ordering ¶ 2. at p. 7. In 2021, the Commission reiterated the same in its *Order Suspending Disconnections and Providing for Extended Special Repayment Plans for Certain Vulnerable Customers and Requiring Door Hanger Notices*.⁴ The Commission has issued no other order either terminating or modifying the Late Fee Moratorium since that time.

³ Disconnection Moratorium Order at 2.

⁴ *Order Suspending Disconnections and Providing for Extended Special Repayment Plans for Certain Vulnerable Customers and Requiring Door Hanger Notices*, Docket Nos. M-100, Sub 158, E-2, Sub 1214, E-2, Sub 1228, E-2, Sub 1258, E-7, Sub 1210, E-7, Sub 1236, E-7, Sub 1241, E-22, Sub 583, G-5, Sub 617, and G-9, Sub 767, Ordering ¶ 5, p. 5, issued Feb. 23, 2021.

Companies' Assistance to Customers during the State of Emergency

During the State of Emergency, the Companies took comprehensive steps, sometimes beyond what was required by the Commission, to help customers manage their electric public utility bills. They delayed resuming disconnections for non-payment beyond the Commission's allowed September 1, 2020 resumption date to enable customers to have additional time to prepare to pay their outstanding bills or obtain payment arrangements before being subject to disconnection for nonpayment. Four times, from February 2021 until March 2022, the Companies voluntarily expanded and extended the Winter Moratorium outlined in Commission Rules R12-11 and R12-10 to prevent approximately 114,000 Low-Income Energy Assistance Program ("LIEAP"), the Crisis Intervention Program ("CIP"), or the North Carolina Housing Opportunities and Prevention of Eviction Program ("NC HOPE") customers from disconnection of their respective electric utility service or natural gas utility service for nonpayment.

The Companies have adopted, and continue to maintain, a robust customer and community outreach approach that, among other things, provides information and outreach to customers that have fallen behind with instructions on how to apply for LIEAP, Emergency Rental Assistance Program, and their Share the Light Fund. Additionally, the Companies added call center staffing and vendor resources to address call volumes during the disconnection moratorium and to assist with setting up payment arrangements. The Companies intend to continue to help connect customers with assistance agencies and funds.

During the two years of the State of Emergency, DEC and DEP have waived through June 30, 2022 a total of \$57.6 million in Late Payment Fees, \$36.6 million and \$21.0 million respectively.

Resumption of Late Payment Fees

Based on the foregoing, and as noted above, DEC and DEP intend to resume late payment charges as allowed by Commission Rule R12-9. Consistent with the Governor's EOs and the Commission's orders, no late fees will be applied to arrearages incurred during the March 10, 2020 – August 15, 2022 State of Emergency. Additionally, the Companies are extending that August 15, 2022 date until September 1, 2022. As a result, both residential and nonresidential customers may first see the late payment projection message on their October utility bills and the late payment charge applied to their November bills, as applicable. The Companies will notify customers of the resumption of late payment charges through the following bill message on customers' September bills:

Standard Late Payment Fees that were paused in March 2020 will resume on your next billing.

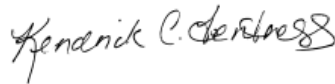
DEC's and DEP's respective websites will also be updated to reflect the resumption of the late payment fees.

The Companies remain committed to working with their customers and to maintaining the best practices for providing customer assistance that they adopted during the State of Emergency.

The Companies shared this letter with the Public Staff of the North Carolina Utilities Commission (“Public Staff”) prior to filing it, and the undersigned is authorized to state that the Public Staff had no objection to it.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kendrick C. Fentress". The signature is written in a cursive, slightly stylized font.

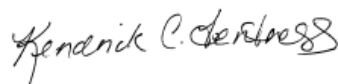
Kendrick C. Fentress

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC Notification of Resumption of Late Fee Payments filed in Docket Nos. E-7, Sub 1236; E-2, Sub 1228; M-100, Sub 158; E-7, Sub 1241 and E-2, Sub 1258, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 5th day of August 2022.



Kendrick C. Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551 / NCRH 20
Raleigh, NC 27602
Tel 919.546.6733
Kendrick.Fentress@duke-energy.com