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May 4, 2017

VIA ELECTRONIC FILING

M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

RE: Duke Energy Carolinas, LLC Request to Revise Rider SG (Standby Generator Control) -Docket No. E-7, Sub 831

Dear Ms. Jarvis:

Duke Energy Carolinas, LLC ("DEC" or the "Company") requests Commission approval to revise its Rider SG (Standby Generator Control) to allow for retirement of the existing control and notification equipment.

For more than three decades, DEC's Rider SG has been utilizing the same switch-based notification system to signal the actual start and stop times for curtailment events. The official request to transfer load to the customer-owned generator has been the delivery of two signals – an ALERT signal to indicate that an Activation Period will begin in 10 minutes followed by a CONTROL signal indicating that the Activation Period has started. Many current SG participants elected to tie the switch into their equipment to automatically start and stop their generator when the CONTROL signal is received.

Over the past few years, Rider SG participants have increasingly experienced issues in receiving the official notification signals due to either a DEC switch failure, a customer relay failure, or phone line interruptions. DEC has determined that the current Rider SG switch technology can no longer reliably meet program requirements and needs to be retired. The Company's strategy for transitioning away from the current switch involves offering an alternate cellular-based control technology and changing what is currently considered a courtesy notification via phone, email, and other preferred communication channels to be the official event notification indicating dates and start/stop times.

OFFICIAL COPY

May 04 2017

The Company believes that the requested changes will lead to improved reliability of the notification, control processes and will better ensure a customer's load reduction during capacity constraints. The switch replacement will require internal Information Technology ("IT") programming modifications, which are projected to be completed by the end of October 2017. To align with that timing, the Company plans to distribute the new optional switching equipment to interested SG participants in September so it can be installed and tested during the month of October, outside of the Company's seasonal peak period.

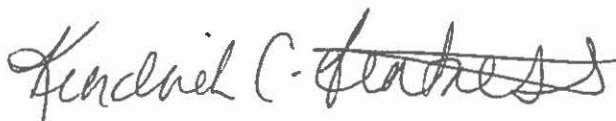
The Company proposes to implement the changes to Rider SG as soon as reasonably possible after Commission approval, but such implementation would first require "IT" development and support, which may take approximately five months to complete after Commission approval.

The Company therefore requests that Rider SG language be revised to allow for retirement of the existing equipment and for use of separate alternative control and event notification technologies.

The Commission's prompt attention to this matter is appreciated.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kendrick C. Fentress". The signature is fluid and cursive, with the first name "Kendrick" being more prominent.

Kendrick C. Fentress

Enclosures

cc: Parties of Record

**RIDER SG (NC)
STANDBY GENERATOR CONTROL**

This Rider is closed and not available to new customers after February 26, 2009. This Rider remains in effect for nonresidential customers receiving concurrent service from the Company under continually effective agreements for this Rider made prior February 26, 2009.

For customers not receiving concurrent service from the Company on Rider IS who enter into a specific contract for the control of standby generators which are not operated in parallel with the Company's system, the following provisions shall apply:

1. GENERAL DESCRIPTION

The Standby Generator Control Program is designed to provide a source of capacity through load reduction at any time the Company has capacity problems. The Company reserves the right to test the operation of the Customer's standby generator(s) at any time. When the Company requests the operation of the standby generators, the watt-hour meter(s) installed on or near the generator bus of the Customer's facility will be energized to record the kWh output at the generator. Customers may voluntarily enter into an agreement to participate in Standby Generator Control in one of the following categories:

Category A.

Standard Generator Response: The Customers under Category A shall operate their generators on an "as available" basis. Each month the meter(s) will be read and the Customer compensated for the kWh output based on an energy credit which will be updated monthly.

Category B.

Guaranteed Generator Response: The Customers under Category B shall operate their generators on a "guaranteed response" basis. Customers shall commit to operate during a minimum of 80% of the Control periods annually, including tests, and to provide at least 200 KW average capacity on an annual basis. Each month the meter(s) will be read. The Customer under Category B will receive a capacity credit based on the average capacity generated during all control periods of the current month. Also, the Customer will be compensated for the kWh output based on an energy credit which will be updated monthly. Continuation under Category B will be based on the Company's annual review of its records for the particular customer's standby generation to determine when actual performance has indicated compliance with the above standards for the twelve-month period.

Payments will not be rendered unless the Company requested the generator operation and the Customer complied.

2. METERING AND CONTROL EQUIPMENT

The metering equipment will be furnished, owned, installed and maintained by the Company at no expense to the Customer. The control equipment will also be furnished, owned and maintained by the Company at no expense to the Customer, but Customer must install control equipment and provide required electrical power supply.

3. DEFINITIONS

Engine/Generator Nameplate Rating: The nameplate rating is the maximum kilowatt output of the engine/generator at full load at its rated power factor as specified on the nameplate.

Control Period: A control period is that interval of time, initiated and terminated by the Company, during which the Customer is requested to transfer load from the Company's source to the electrical distribution system supplied by the engine/generator unit. No control period shall be of more than ten (10) hours duration in any calendar day.

Notice of Control: The Customer shall be notified of the start and end times for all initiations of Control Periods at least ten (10) minutes prior to such times. The remote control signal shall be initiated at the designated start and end times.

4. METER READING

Each month, the installed watt-hour meter(s) shall be read for purposes of computing a payment. In the event that a Control Period is in progress, the reading of the meter(s) shall be delayed until after the Control Period has ended.

5. EQUIPMENT INSPECTION

At periodic intervals, the Company will inspect each generator metering and control system installation at the Customer's facility.

**RIDER SG (NC)
STANDBY GENERATOR CONTROL****6. BASIS OF MONTHLY CREDIT**

Each month, an energy credit will be computed in accordance with fuel oil price quotations from vendors for Company stations with combustion turbines.

7. MONTHLY CREDIT NOTIFICATION

Notification of the energy credit per kWh and the monthly period for which it is applicable shall be provided to each participating Customer no later than the last business day of the month preceding the application period.

8. COMPUTATION OF THE MONTHLY PAYMENT

Following the reading of the standby generator meter(s) each month, the amount of monthly payment for each participating Customer shall be computed as follows:

ENERGY CREDITS (Categories A & B)

Monthly Payments (\$) = (kWh x \$/kWh) + \$10.00 per month for compliance

CAPACITY CREDITS (Category B Only)

For Category B customers, a Capacity Credit will be computed as follows:

Monthly Payments (\$) = (kWh/Total Hours in Control Periods) x \$/KW

Where: kWh = Total kWh output of Customer's standby generator during the monthly Control Periods

\$/kWh = Applicable energy credit for the month

\$/KW = \$2.75 Applicable capacity credit

The \$10.00 per month for compliance is in addition to the credit per kWh and is paid only in the months in which the Company requests operation of the generator and the Customer complies.

In no event shall the monthly payment be based on an amount of kWh greater than the generator nameplate rating in KW multiplied by the Control Period hours during the month.

9. PAYMENT TO CUSTOMER

Each month, payment shall be made to each participating Customer for the amount of credit due for the previous month. The statement shall specify at least the following information and other data as appropriate: Applicable Month, Total kWh Output, Credit Amount, and Payment Amount.

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STANDBY GENERATOR CONTROL

This Rider is closed and not available to new customers after February 26, 2009. This Rider remains in effect for nonresidential customers receiving concurrent service from the Company under continually effective agreements for this Rider made prior February 26, 2009.

For customers not receiving concurrent service from the Company on Rider IS who enter into a specific contract for the control of standby generators which are not operated in parallel with the Company's system, the following provisions shall apply:

1. GENERAL DESCRIPTION

The Standby Generator Control Program is designed to provide a source of capacity through load reduction at any time the Company has capacity problems. The Company reserves the right to test the operation of the Customer's standby generator(s) at any time. When the Company requests the operation of the standby generators, the watt-hour meter(s) installed on or near the generator bus of the Customer's facility will be energized to record the kWh output at the generator. Customers may voluntarily enter into an agreement to participate in Standby Generator Control in one of the following categories:

Category A.

Standard Generator Response: The Customers under Category A shall operate their generators on an "as available" basis. Each month the meter(s) will be read and the Customer compensated for the kWh output based on an energy credit which will be updated monthly.

Category B.

Guaranteed Generator Response: The Customers under Category B shall operate their generators on a "guaranteed response" basis. Customers shall commit to operate during a minimum of 80% of the Control periods annually, including tests, and to provide at least 200 KW average capacity on an annual basis. Each month the meter(s) will be read. The Customer under Category B will receive a capacity credit based on the average capacity generated during all control periods of the current month. Also, the Customer will be compensated for the kWh output based on an energy credit which will be updated monthly. Continuation under Category B will be based on the Company's annual review of its records for the particular customer's standby generation to determine when actual performance has indicated compliance with the above standards for the twelve-month period.

Payments will not be rendered unless the Company requested the generator operation and the Customer complied.

2. METERING AND CONTROL EQUIPMENT

The metering ~~and control~~ equipment will be furnished, owned, installed and maintained by the Company at no expense to the Customer. The control equipment will also be furnished, owned and maintained by the Company at no expense to the Customer, but Customer must install control equipment and provide required electrical power supply.

3. DEFINITIONS

Engine/Generator Nameplate Rating: The nameplate rating is the maximum kilowatt output of the engine/generator at full load at its rated power factor as specified on the nameplate.

Control Period: A control period is that interval of time, initiated and terminated by the Company, during which the Customer is requested to transfer load from the Company's source to the electrical distribution system supplied by the engine/generator unit. No control period shall be of more than ten (10) hours duration in any calendar day.

Notice of Control ~~Load~~: The Customer shall be notified ~~by remote signal~~ of the start and end times for all initiations of Control Periods at least ten (10) minutes prior to such times. The remote control signal shall be initiated at the designated start and end times.

4. METER READING

Each month, the installed watt-hour meter(s) shall be read for purposes of computing a payment. In the event that a Control Period is in progress, the reading of the meter(s) shall be delayed until after the Control Period has ended.

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At periodic intervals, the Company will inspect each generator metering and control system installation at the Customer's facility.

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Notification of the energy credit per kWh and the monthly period for which it is applicable shall be provided to each participating Customer no later than the last business day of the month preceding the application period.

8. COMPUTATION OF THE MONTHLY PAYMENT

Following the reading of the standby generator meter(s) each month, the amount of monthly payment for each participating Customer shall be computed as follows:

ENERGY CREDITS (Categories A & B)

Monthly Payments (\$) = (kWh x \$/kWh) + \$10.00 per month for compliance

CAPACITY CREDITS (Category B Only)

For Category B customers, a Capacity Credit will be computed as follows:

Monthly Payments (\$) = (kWh/Total Hours in Control Periods) x \$/KW

Where: kWh = Total kWh output of Customer's standby generator during the monthly Control Periods

\$/kWh = Applicable energy credit for the month

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The \$10.00 per month for compliance is in addition to the credit per kWh and is paid only in the months in which the Company requests operation of the generator and the Customer complies.

In no event shall the monthly payment be based on an amount of kWh greater than the generator nameplate rating in KW multiplied by the Control Period hours during the month.

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Each month, payment shall be made to each participating Customer for the amount of credit due for the previous month. The statement shall specify at least the following information and other data as appropriate: Applicable Month, Total kWh Output, Credit Amount, and Payment Amount.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Revised SG Rider Schedule, in Docket No. E-7, Sub 831 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 4th day of May, 2017.



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