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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 Proposed Revisions to Rate Schedule RT
Docket No. E-7, Sub 1214**

Dear Ms. Dunston:

Enclosed are proposed changes to Duke Energy Carolinas, LLC (“DEC” or “Company”) Schedule RT (NC) Residential Service, Time of Use (“Schedule RT”). DEC proposes to close Schedule RT to new customers due to time-of-use (“TOU”) misalignment with recently Commission-approved Schedules RSTC and RETC, which are residential service time of use offerings with critical peak pricing.

New Residential Time of Use Periods

On May 7, 2021, DEC filed a petition in Docket No. E-7, Sub 1253, requesting that the Commission give final approval for three advanced rate designs as follows: (1) Residential Service: Time of Use with Critical Peak Pricing Schedules – RSTC for standard customers; (2) Residential Service: Time of Use with Critical Peak Pricing Schedules – RETC for all-electric customers; and (3) Small General Service: Time of Use with Critical Peak Pricing Schedule - SGSTC.

In DEC’s petition, the Company stated that it held several meetings with the Public Staff to preview the proposed final rate designs to explain the reasoning and data behind the newly proposed TOU periods. The data DEC provided to the Public Staff analyzed and projected load patterns and costs, which were used to develop the new TOU periods with the goal of encouraging customers to respond during peak periods.

Comments filed by the Public Staff, and jointly by the North Carolina Justice Center, North Carolina Housing Coalition, Southern Alliance for Clean Energy, and the Natural Resources Defense Council (NCJC, et al.) were positive and supported DEC’s proposal for the new rate designs. The Public Staff stated that approval of the new rate

designs should not infringe on the work of the Comprehensive Rate Design Study (“Study”) that was ordered in DEC’s last general rate case (Docket No. E-7, Sub 1214) and that the Study should include a review of TOU rates, and could potentially result in further refinement of DEC’s proposed TOU Critical Peak Pricing rate schedules.

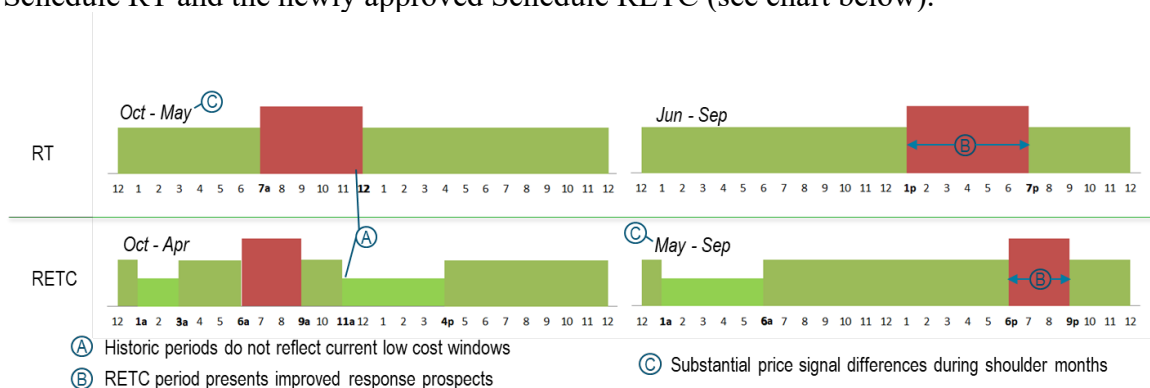
The NCJC, et al., stated that DEC’s proposal would provide customers with price signals that encourage customers to shift their usage away from more expensive system peaks. Further, the NCJC, et al., requested DEC to: (1) take steps to make the new rate offerings more accessible to low-income households; (2) continue to avoid residential demand charges in its residential rate offerings as demand charges are difficult to understand and not cost based; and (3) work with stakeholders to provide additional rate offerings that will benefit customers for electric vehicle charging at off-peak times even when such customers do not choose TOU schedules for electric service to their entire household.

The Commission approved DEC’s TOU Critical Peak Pricing rate proposals on August 25, 2021 with service beginning on October 1, 2021.

Schedule RT TOU Window Misalignment

Schedule RT is a residential TOU schedule with a three-part rate structure including the customer charge, energy, and demand. Currently, there are approximately 1,800 customers receiving service under Schedule RT of DEC’s 1.8 million residential customers. Low participation is likely due to the difficulty for residential customers to understand demand charges, uncertainty as to whether the design will result in bill savings or increases, and lack of awareness.

In addition to low participation, Schedule RT no longer provides price signals consistent with system operations, as evidenced by the difference in periods between Schedule RT and the newly approved Schedule RETC (see chart below).



The inconsistency in TOU periods may be confusing to customers and may drive usage behaviors that do not align with cost causation, especially if DEC continues to allow new customers to be served under Schedule RT. The Company is requesting to close Schedule RT to new customers until the next rate case, where the Company plans to re-design Schedule RT to align the rate design with more current TOU periods. Any re-design

will be based on input from stakeholders, including the Public Staff, received during and/or after the Comprehensive Rate Design Study. DEC presented the possibility of closing Schedule RT to new customers during the Study's Residential Working Group meetings and received mostly favorable responses, however one concern was discussed relative to the limiting of customer choice.

DEC met with the Public Staff on January 14, 2022 to discuss closing Schedule RT to new customers. The Company agreed to overhaul Schedules RT and R-TOUD (Duke Energy Progress, LLC) in the next rate cases, rather than keep these historic tariffs closed indefinitely. This will also alleviate concerns related to limiting customer choice. With this condition, the Public Staff supports the closing of Schedule RT to new participants.

DEC respectfully requests the Commission's approval to close Schedule RT to new participants by April 1, 2022.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'KR' followed by a stylized flourish.

Kathleen H. Richard

Enclosure

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Proposed Revisions to Rate Schedule RT, in Docket No. E-7, Sub 1214, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the parties of record.

This the 7th day of February, 2022.



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SCHEDULE RT (NC) RESIDENTIAL SERVICE, TIME OF USE

AVAILABILITY (North Carolina Only)

Available on a voluntary basis to individually-metered residential customers in residences, condominiums, manufactured homes, or apartments which provide independent facilities for living, sleeping, eating, cooking, and sanitation.

Power delivered under this schedule shall not be used for resale except to landlords for individually-metered residences leased by the bedroom, and where the landlord has complied with Chapter 22 of the Rules of the North Carolina Utilities Commission. Additionally, power delivered under this schedule shall not be used in parallel with other electric power or as a substitute for power contracted for or which may be contracted for, under any other schedule of the Company, except at the option of the Company, or for service in conjunction with Rider SCG or Rider NM, under special terms and conditions expressed in writing in the contract with the customer.

This Schedule is not available for new service after April 1, 2022.

TYPE OF SERVICE

The Company will furnish 60 Hertz service through one meter, at one delivery point, at one of the following approximate voltages, where available:

Single-phase, 120/240 volts; or

3-phase, 208Y/120 volts; or other available voltages at the Company's option.

Motors in excess of 2 H.P., frequently started, or arranged for automatic control, must be of a type to take the minimum starting current and must be equipped with controlling devices approved by the Company.

Three-phase service will be supplied, if available. Where three-phase and single-phase service is supplied through the same meter, it will be billed on the rate below. Where three-phase service is supplied through a separate meter, it will be billed on the applicable General Service schedule.

RATE

I.	Basic Facilities Charge per month	\$14.00	
II.	On-Peak Demand Charge per month, per kW	Summer Months	Winter Months
		<u>June 1 – September 30</u>	<u>October 1 – May 31</u>
		\$7.37	\$4.79
III.	Energy Charge	<u>All Months</u>	
	a. On-Peak energy per month, per kWh	6.7258¢	
	b. Off-Peak energy per month, per kWh	5.3707¢	

RIDERS

The Renewable Energy Portfolio Standard (REPS) Rider charge as shown on Leaf No. 68 will be added to the monthly bill for each agreement for service under this schedule.

The following Riders are applicable to service supplied under this schedule. The currently approved cents/kWh rider increment or decrement must be added to the cents/kWh rates shown above to determine the monthly bill.

Leaf No. 59	EDIT-1 Rider
Leaf No. 60	Fuel Cost Adjustment Rider
Leaf No. 62	Energy Efficiency Rider
Leaf No. 64	Existing DSM Program Costs Adjustment Rider
Leaf No. 105	BPM Prospective Rider
Leaf No. 106	BPM True-Up Rider

North Carolina Fifty-~~Second~~-~~Third~~ Revised Leaf No. 15

Effective for service rendered on and after _____

NCUC Docket No. E-7, Sub 1214, Order dated _____

SCHEDULE RT (NC) RESIDENTIAL SERVICE, TIME OF USE

Leaf No. 127 CPRE Rider
 Leaf No. 129 EDIT-3 Rider
 Leaf No. 131 EDIT-4 Rider
 Leaf No. 135 Storm Cost Recovery Rider

A Storm Securitization Rider charge will be added to the monthly bill based on the currently approved cents/kWh incremental rate as shown in Leaf No. 133.

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

	Summer Months <u>June 1 – September 30</u>	Winter Months <u>October 1 – May 31</u>
On-Peak Period Hours	1:00 p.m. – 7:00 p.m. Monday – Friday	7:00 a.m. – 12:00 noon Monday - Friday
Off-Peak Period Hours	All other weekday hours and all Saturday and Sunday hours. All hours for the following holidays shall be considered as Off-Peak: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving Day and Christmas Day.	

DEFINITION OF "MONTH"

The term "month" as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing. Readings are taken each month at intervals of approximately thirty (30) days.

Summer months' rates apply to service from June 1 through September 30. Winter months' rates apply to service from October 1 through May 31.

DETERMINATION OF BILLING DEMAND

The On-Peak Demand for billing purposes each month shall be the maximum integrated thirty-minute demand measured for the On-Peak period during the month for which the bill is rendered.

MINIMUM BILL

The minimum bill shall be the Basic Facilities Charge.

PAYMENT

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the twenty-fifth day after the date of the bill. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one percent (1%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of and be due and payable with the bill on which it is rendered.

CONTRACT PERIOD

The original term of this contract shall be one year, and thereafter, until terminated by either party on thirty days' written notice.