

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1146
DOCKET NO. E-7, SUB 1253

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Duke Energy Carolinas, LLC, for Adjustment of Rates and Charges Applicable to Electric Utility Service in North Carolina))))	PUBLIC STAFF COMMENTS ON PROPOSED PERMANENT RATE DESIGNS

NOW COMES THE PUBLIC STAFF - North Carolina Utilities Commission (Public Staff), by and through its Executive Director, Christopher J. Ayers, and responds to the May 28, 2021 Order of the Commission requesting comments on the petition (Petition) filed May 7, 2021, in Docket No. E-7, Sub 1253, by Duke Energy Carolinas, LLC (DEC or the Company), for approval of three dynamic rate designs: Residential Service: Time of Use with Critical Peak Pricing Schedules “RSTC” (for standard customers) and “RETC” (for all-electric customers), and Small General Service: Time of Use with Critical Peak Pricing Schedule “SGSTC,” (collectively referred to as “TOU Schedules”).

1. The Company indicates that the proposed TOU Schedules are the result of the Time-of-Use Dynamic Pricing Pilots (TOU Pilots) approved by the Commission on July 2, 2019, in Docket No. E-7, Sub 1146 (Sub 1146), as well as a review of the Company's rating or TOU periods and other considerations.

2. The Public Staff has worked closely with the Company since the beginning of the TOU Pilots. The Public Staff has monitored the progress of each of the nine individual pilot rate schedules that was approved in Sub 1146. The

Public Staff believes the proposed TOU rate designs can produce meaningful beneficial shifts in energy consumption and behavior based on the results of the TOU Pilots.

3. The Petition highlights findings from the TOU Pilots incorporated into the development of the TOU Schedules. The Company also analyzed projected load patterns and costs to develop the TOU periods. The Public Staff notes that there is a marked resemblance between the design and structure of the TOU Schedules with those developed for qualifying facilities in Docket No. E-100, Sub 158, including on- and off-peak pricing periods.

4. The Public Staff further notes that the findings from the TOU Pilots suggest that customers had a significant response to pricing signals initiated by the Company, and those responses produced real reductions in load during peak periods. As the Company shifts to winter peaking where there are traditionally less demand response resources available, the load reductions available from TOU rates become more and more important.

5. Finally, the Public Staff notes that approval of the TOU Schedules should not infringe on the work of the Comprehensive Rate Design Study that was ordered in the Company's Docket No. E-7, Sub 1214 general rate case. That study should include review of these TOU rates, and could potentially result in further refinement of the TOU Schedules.

6. Based on its review, the Public Staff believes the proposed TOU Schedules should be approved as filed.

Respectfully submitted this the 15th day of June, 2021.

PUBLIC STAFF
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Electronically submitted
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CERTIFICATE OF SERVICE

I certify that a copy of these Comments on Proposed Permanent Rate Designs has been served on all parties of record or their attorneys, or both, in accordance with Commission Rule R1-39, by United States Mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 15th day June, 2021.

Electronically submitted
/s/ Lucy E. Edmondson
Staff Attorney