

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1214

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Duke Energy Carolinas, LLC,)	
for Adjustment of Rates and Charges)	ORDER APPROVING CLOSING
Applicable to Electric Utility Service in)	OF RATE SCHEDULE RT
North Carolina)	

BY THE COMMISSION: On March 31, 2021, the Commission issued an Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice in Docket No. E-7, Sub 1214 (DEC Rate Order). The DEC Rate Order, among other things, approved a proposal by Duke Energy Carolinas, LLC (DEC), to initiate a comprehensive rate design study (Rate Design Study), with the Public Staff and other interested stakeholders.

On May 7, 2021, DEC filed a petition (Rate Design Petition), in Docket Nos. E-7, Subs 1214 and 1253 requesting that the Commission approve three time of use (TOU) 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). According to DEC, the three TOU rate designs were based on a refreshed analysis of TOU periods, included critical peak pricing periods, and were derived in large part from nine TOU rate design pilot rates that were tested by DEC. After receiving comments on DEC's three TOU rate designs, the Commission issued an Order on August 25, 2021, in Docket Nos. E-7, Subs 1146 and 1253 approving them for service beginning on October 1, 2021.

On February 7, 2022, DEC filed a letter in Docket No. E-7, Sub 1214 requesting that the Commission authorize DEC to cease offering Residential Rate Schedule RT (Schedule RT), to new customers as of April 1, 2022. In summary, DEC stated that Schedule RT has a three part structure that includes customer, energy, and demand charges, and that there are currently approximately 1,800 customers receiving service under Schedule RT. DEC opined that this low participation is likely due to the difficulty that residential customers have in understanding demand charges, and uncertainty as to whether the Schedule RT rates will result in bill savings or increases. In addition, DEC stated that Schedule RT no longer provides price signals consistent with system operations, as evidenced by the difference in periods between Schedule RT and the recently approved Schedule RETC. DEC provided a chart demonstrating the differences. Further, DEC stated that it is requesting to close Schedule RT to new customers until its next general rate case, when it plans to redesign Schedule RT to align the rate design

with more current TOU periods. Moreover, DEC stated that any redesign will be based on input from the Public Staff and other stakeholders during or after the Rate Design Study. DEC stated that it presented the possibility of closing Schedule RT to new customers during the Rate Design Study's Residential Working Group meetings and received mostly favorable responses. DEC attached its proposed revised Schedule RT tariff to its letter. Finally, DEC stated that it met with the Public Staff and that the Public Staff supports the closing of Schedule RT with the understanding that DEC will redesign Schedule RT as part of its next general rate case.

Based on the foregoing and the record, the Commission concludes that there is good cause to approve DEC's request to close Residential Rate Schedule RT to new customers as of April 1, 2022, with the understanding that DEC will consult with the Public Staff and other stakeholders during or after the Rate Design Study and redesign Schedule RT as part of its next general rate case.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 4th day of March, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Joann R. Snyder", is written over a light gray circular stamp.

Joann R. Snyder, Deputy Clerk