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**From:** Claire Williamson <Claire@ncjustice.org>  
**Sent:** Friday, August 4, 2023 4:45 PM  
**To:** Statements  
**Cc:** Carlene McNulty  
**Subject:** Docket No. E-34, Sub 54 and 55 Consumer Statement of Positions  
**Attachments:** NCJC Comment Letter 08-04-2023.pdf

Hi,  
Please accept this customer statement of position on Docket No E-34, Sub 54.  
Thank you,  
**Claire Williamson**  
Energy Policy Advocate  
North Carolina Justice Center  
224 S. Dawson St.  
Raleigh, NC 27601  
(919) 856-2185 (office)  
(919) 619-0315 (cell)  
[claire@ncjustice.org](mailto:claire@ncjustice.org)  
she/her/hers

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**NORTH CAROLINA  
JUSTICE CENTER**

PO Box 28068  
224 S. Dawson Street  
Raleigh, North Carolina  
27611-8068

919.856.2570 voice  
919.856.2175 fax  
[www.ncjustice.org](http://www.ncjustice.org)

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N.C. Utilities Commission  
430 N. Salisbury St.  
Raleigh, NC 27603  
Via e-mail: [statements@ncuc.net](mailto:statements@ncuc.net)

Re: Docket No. E-34, Sub 54 and 55 Consumer Statement of Positions

Dear Commissioners,

The North Carolina Justice Center (NCJC), respectfully submits this comment letter regarding the above-referenced docket. The Justice Center advocates on behalf of low-income utility customers throughout the state, with a particular focus on energy affordability and energy efficiency.

We are concerned about New River Light and Power Company's (NRLP) Prepaid Program generally, and particularly with the assertion that this program be considered an Energy Efficiency or Demand-Side Management (EE/DSM) program. This assertion should be rejected because it is not supported by credible evidence of energy savings. More importantly, even if energy consumption reduction has occurred with NRLP's prepaid service customers, it is likely because of deprivation of energy use, not conservation. A utility company should not justify an easier billing arrangement for itself under the guise of energy efficiency.

Witness Edmond Miller discussed NRLP's Prepaid Program during the evidentiary hearing held in this proceeding on July 10th and 11th, 2023. *See* Transcript of Hearing Held in Raleigh on Tuesday July 11, 2023, Volume 4 ("Transcript"). NRLP did not provide evidence to show that it's prepaid program, or prepaid programs in other areas of the state or country, promote energy efficiency. Without evidence to support NRLP's claim, the notion that prepaid programs serve as an effective energy efficiency program should be rejected. Relatively few studies examining prepayment programs exist, and even fewer analyze the energy savings in a way that would address the consumer concerns discussed herein.

While Mr. Miller claimed that the prepay program leads to energy savings, he failed to address key questions that the Utility Commission should take into consideration. Do any of the observed usage reductions result from energy efficiency improvements such as structural building and equipment upgrades? Are the savings realized through energy waste reduction brought about through positive behavioral changes? And how long do these energy savings last? For example, it does not appear that NRLP offers its prepay plan participants access to weatherization and other energy efficiency services that can lead to long-term improvements in health and energy affordability.

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In our experience, our clients may end up “saving energy” under prepaid programs, but it is because of how difficult it is for them to pay their utility bills, not because of any positive behavior change or other mechanism designed to promote energy efficiency. The design elements of prepay programs prey upon low-income utility customers unable to afford deposits and ongoing service. There are very high rates of service disconnection associated with these programs, as evidenced by the high disconnect rates in NRLP’s own program. Utility companies can shut off power much more quickly for prepaid customers. NRLP sought and obtained a waiver of the protections afforded to the majority of other utility customers in our state with respect to notice and disconnect requirements. Transcript, p. 134. As Mr. Miller testified, utility disconnects typically happen within 24 hours of the customer’s prepaid account running out of funds, compared to two-months for customer’s not enrolled in this program. Transcript, pp. 133, 135.

We have deep concerns that a significant portion of the observed “energy savings” brought about by NRLP’s prepaid program results not from positive behavioral change, but from behavioral curtailment that causes extreme discomfort, or full deprivation of energy shut-offs brought about by rapid and frequent utility disconnections. Customers should not have to sacrifice comfort or level of service to save energy, and to promote the prepay model as an energy savings tool is a deeply flawed and unjust approach reducing energy use for the grid.

Furthermore, any characteristics of the Prepaid Program that help customers reduce energy use outside can and should be offered to all residential customers regardless of the manner in which they pay for service. If improved data accessibility, alerts and other elements of the prepay program help customers reduce energy use then those can be provided. For example, every customer should if desired have:

1. Phone, text and/or email alerts when predesignated energy consumption levels and/or the cost of energy used has reached a certain level
2. Phone, text and/or email alerts with forecasts of anticipated energy consumption and/or the cost of associated energy consumed
3. See usage and electricity costs on a daily basis from anywhere via the web—even with their Smartphone;
4. Potentially avoid bill surprises at the end of an unusual weather month, or even be informed during the month of unusual weather or other circumstances that may be driving electric usage higher than they anticipate, such as an equipment malfunction.

The advantages of access to data alone should not be a basis for the adoption of a prepaid program as these elements where the meters and technology exist can and should be offered independent of payment options.

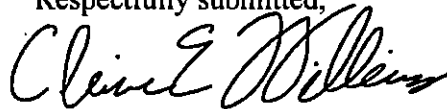
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In short, NRLP's prepay program, especially when used under the guise of an energy savings program, defies the purpose of North Carolina's Public Utilities Act which is "to promote adequate, reliable and economical utility service to all of the citizens and residents of the State." Prepaid service is inappropriate for low-income and other vulnerable households, regardless of whether consumption reduction has been observed for those households enrolled in these programs. We strongly urge the commission to reject New River Light and Power's argument that their Prepay Program provides an adequate EE/DSM service.

Respectfully submitted,



Claire Williamson  
Senior Policy Advocate



Carlene McNulty  
Litigation Director

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