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Aug 26 2022

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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 Progress, LLC Application for Approval of Proposed
Prepaid Advantage Program
Docket No. E-2, Sub 1290**

Dear Ms. Dunston:

I enclose Duke Energy Progress, LLC's Application for Approval of Proposed Prepaid Advantage Program for filing in connection with the referenced matter.

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: Lucy Edmondson

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Application for Approval of Proposed Prepaid Advantage Program, in Docket No. E-2, Sub 1290 , has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 26th day of August, 2022.



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STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1290

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:)	
)	
Duke Energy Progress, LLC Application)	PETITION FOR APPROVAL OF
for Approval of Prepaid Advantage)	PREPAID ADVANTAGE
Program)	PROGRAM

NOW COMES Duke Energy Progress, LLC (“DEP” or the “Company”) pursuant to N.C. Gen. Stat. § 62-32(a) and other applicable rules and regulations of the North Carolina Utilities Commission (“Commission”), and hereby requests approval of DEP’s Prepaid Advantage Program. By utilizing the benefits of smart meters, the Prepaid Advantage Program will offer customers the billing option to prepay for service, thereby avoiding the need for a deposit, reconnect fees, or late fees, and will provide other benefits as set forth below. Furthermore, the implementation of the Prepaid Advantage Program requires that the Commission waive certain Commission Rules, which contemplate a traditional monthly paper bill and payment and disconnection procedures for bills rendered for usage previously incurred. Therefore, DEP hereby requests waiver of certain Commission Rules as outlined in Appendix A, attached hereto. Appendix A also details the reasons for the requested waiver of the rules as they relate to the Prepaid Advantage Program.

Background

On June 22, 2018, in the Matter of Application of Duke Energy Carolinas, LLC (“DEC”) for Adjustment of Rates and Charges Applicable to Electric Utility Service in North Carolina, in the *Order Accepting Stipulation, Deciding Contested Issues, and Requiring Revenue Reduction*, Docket No. E-7, Sub 1146, the Commission required DEC to file proposed new time-of-use, peak pricing and other dynamic rate structures to allow customers to use the information provided by AMI to reduce their peak time usage and to save energy. On January 16, 2018, DEC filed for approval of a proposed Prepaid Advantage Energy Efficiency Pilot Program in Docket No. E-7, Sub 1167. On April 26, 2018, DEC withdrew its application for approval of Prepaid Advantage as an Energy Efficiency (“EE”) program, largely because of the Public Staff’s opposition to the program being treated as an EE program. However, DEC stated that it planned to refile Prepaid Advantage, or a similar program, either as an EE program or as a billing option for customers.

On August 2, 2019, DEC filed a Petition for Approval of Prepaid Advantage Program in Docket No. E-7, Sub 1213 (“2019 Petition”), as a billing option for customers to prepay for service, thereby avoiding the need for a deposit, reconnection fees, and late fees. DEC further requested that the Commission waive certain Commission Rules related to the monthly bill format, payments, and disconnection, specifically Rules R8-8, R8-20(b), (c), and (d), R8-44(4)(d), R12-8, R12-9(b), (c), and (d), and R12-11(a), (b), (f), (g), (h), (i), (l), (m), (n), and (p). The Public Staff presented the Prepaid Advantage Program for approval at the Commission’s Regular Staff Conference on November 12, 2019. On November 20, 2019, the Commission issued an order consolidating DEC’s request with

DEC's general rate case application in Docket Nos. E-7, Sub 1213 and Sub 1214. On March 31, 2021, the Commission issued an *Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice* approving DEC's 2019 Petition as well as the Public Staff's proposed safeguards for the Prepaid Advantage Program including: (1) there shall be no disconnection before 3:00 p.m., (2) the Company shall make all reasonable efforts to have on file a third-party designee, selected by the customer, who will receive any notice of termination in addition to the customer, (3) DEC shall confirm the ability of Prepaid Advantage Program participants to receive communications from the Company upon enrollment, and (4) that the limited waiver to Rule R12-11(m)(2) would expire on June 30, 2021, unless otherwise extended by the Commission¹ ("2019 DEC Rate Case Order"). The Commission further approved DEC's requested waiver of the requirements of the aforementioned Commission Rules only with respect to service rendered under the Prepaid Advantage Program. DEC launched its Prepaid Advantage Program on August 5, 2021.

Since July 2015, DEC has also offered its South Carolina customers a Prepaid Advantage program, which has successfully increased customer satisfaction and energy savings. In the South Carolina Prepaid Advantage program, 50% of participants ranked themselves as 'Completely Satisfied,' and 73% felt the Prepaid Advantage program had a positive effect on their overall satisfaction with the Company.² On average, customers in the initial year of the DEC South Carolina Prepaid Advantage offering experienced an approximate 8.5% reduction in their electricity usage (based on internal findings without a

¹ On July 8, 2021, the Commission issued an Order Granting the Companies' June 4, 2021 Motion Requesting an Extension of the Limited Waiver to Rule R12-11(m)(2) through December 31, 2022.

² Duke Energy Carolinas, LLC's Prepaid Advantage SC Learnings Report, Docket No. 2015-136-E.

formal third-party Evaluation, Measurement, and Verification study).³ Because DEC in North Carolina and DEP in South Carolina recently launched their Prepaid Advantage Programs, the customer enrollment is early in the launch and therefore does not support detailed data and benefits of program participants.⁴

With this filing, DEP is seeking approval to implement a Prepaid Advantage Program to provide its customers with the same benefits available to DEC's Prepaid Advantage Program's participants including providing voluntary customer participants with greater flexibility and control over their electric usage and payments. DEP is seeking approval of the Prepaid Advantage Program as a billing option and not as an EE program, because of the benefits that the billing option provides to customers. However, DEP continues to believe that the program should qualify as an EE program under N.C. Gen. Stat. § 62-133.9. Engaging the prepaid customer to save energy is consistent with the goals of Senate Bill 3 and is not significantly different from the Company's successful residential behavioral EE program in its ability to help customers use less energy. Nonetheless, DEP is filing the program as a customer billing option so that the program can be made available to customers as soon as possible. DEP may seek approval of this program as an EE program or a negative found revenue activity in the determination of net lost revenues in the future.

Program Description

Prepaid Advantage is a proposed voluntary payment option DEP plans to make available to eligible customers. The tariff filing for the program is attached herein as Appendix B. Prepaid Advantage is designed for residential customers on non-time of use

³ *Id.*

⁴ DEC files quarterly reports regarding the Prepaid Advantage Program for North Carolina with the most recent quarterly report filed on May 2, 2022.

rate schedules, where the Company has installed a smart meter at the residence. The Company anticipates high interest from customers who prefer receiving digital alerts, and who seek more timely information on their electricity consumption than provided by bills rendered after electricity has been used. Eligible customers will be able to:

- Begin service with a lower upfront cost (avoiding a traditional deposit if one would otherwise be required);
- See usage and electricity costs on a daily basis from anywhere via the web — even with their Smartphone;
- Set notification preferences, receive notifications, and view the account information 24 hours a day, 7 days a week;
- Have more choice in payment frequency, giving the customer the flexibility to determine when to pay and how much, based on the customer's lifestyle and receipt of income;
- 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; and
- Have service reconnected faster through remote capability if service is disconnected.

Availability

Prepaid Advantage is a voluntary program made available to eligible customers. A customer who chooses to be on this option may at any time decide to return to a traditional

post-pay account. A customer moving to a traditional payment option may be required to make a deposit, consistent with the Commission's rules relating to deposits.

Eligibility

Prepaid Advantage will be available to new or existing DEP North Carolina residential customers in residences served on a non-time of use rate schedule, who are not served on Rider NM, enrolled in Budget Billing, or an active installment plan exceeding \$500.00, and are not identified by medical alert code pursuant to Commission Rule 12-11(q). Customers enrolled in the program may not purchase non-regulated products and services as the Company does not have the capability to properly bill these products and services within the Prepaid Advantage Program.

To enroll in the Prepaid Advantage Program, the customer must make a minimum initial payment of \$40.00. Eligible applicants may not have an outstanding balance of more than \$500.00 at the time of enrollment. The following rules will apply to any applicant for this program who has an existing outstanding balance:

- (a) Any cash deposit on record, along with any accrued interest, will be applied toward any existing arrearage on the account,
- (b) Any remaining credit balance will automatically be applied to the customer's Prepaid Advantage account as an initial payment,
- (c) Prospective payments will be applied with 25% of the payment going towards any unpaid balance, if applicable, until satisfied, and 75% going toward future electric use, and
- (d) In the absence of arrearages, 100% of payments will be applied to future electric use.

Design

This program is designed to be an alternative option to customers looking for additional payment options. Eligible customers will pay a minimum initial payment of \$40.00 to have funds available in their account. New customers will also need to pay the standard connect fee that is required of all new accounts. Leveraging the benefits of smart meters, daily energy consumption is rated based on the customer's rate and deducted from their account. If the account falls below \$0.00, the customer has one business day to make a payment. If no payment is received, the electric service will be disconnected remotely. Following payment, the service is reconnected remotely – with an average reconnection time of approximately 15 minutes. Participants in the program will not have to pay a reconnection fee for a disconnect/reconnect.

Customers choosing the program may opt to make a payment through any of the existing channels available to them today (online, via the phone, at cash payment locations, etc.). Utilizing their Duke Energy online account, customers will have access to view their daily consumption as well as see a projection of the number of days remaining in their account based on historical usage information.

Customers enrolled in Prepaid Advantage have several options to be proactively made aware of their account balance. A customer will receive a notice via phone, email, and/or text message depending on the customer's specific preference. By default, customers will receive a notification when it is projected that they have 5, 3, and 1 day remaining on the account balance. A customer can opt to receive notification for additional days remaining, and can choose to have multiple recipients, such as additional family members.

The Company will send text messages, email alerts, and automated voice messages as designated by the customer, which provide estimated days remaining before the balance becomes zero. Failure to receive a properly sent alert shall not entitle the customer to additional time to pay to avoid interruption of service. Failure to maintain a positive account balance may result in disconnection of service no earlier than 3:00 p.m. on the next business day after the account balance reaches zero, unless that day falls on a Friday, a state or federal holiday, or the day before a state or federal holiday. If disconnection of service is delayed for any reason when the customer's account balance is zero, the customer will accrue a negative balance, and the negative balance must be paid along with a payment toward future service to maintain or restore service. Service will be reconnected once sufficient payment is received, and no reconnection fee will be charged.

All reconnects and eligible disconnects are performed remotely. All communications to make customers aware of a pending disconnection will be performed via phone, email, and/or text message. Because of these communications with customers through the phone, email, and/or text message, and because eligible disconnections and reconnections are performed remotely, the Company does not intend to dispatch representatives to the customer premise on the day of disconnection or otherwise under the program unless the communication is not successful.

Applied Rates and Daily Charges

On a daily basis, charges for electric service will be deducted from the customer's prepaid balance. Daily charges will include charges for daily kilowatt-hour consumption, as well as a daily-prorated facilities charge and taxes. The rates for electric utility service applicable to the Prepaid Advantage Program shall be those as stated in Schedule RS, with

the basic facilities charge, Renewable Energy Portfolio Standard (“REPS”) Rider, and any other flat rate per account charge applicable to Schedule RS applied to the Prepaid Advantage Program on a pro rata basis.

WHEREFORE, for all the foregoing reasons, the Company respectfully requests approval of the Prepaid Advantage Program by this Commission as a billing option and that the Commission issue an Order approving the program and waiving the Commission Rules described in Appendix A.

Respectfully submitted, this the 26th day of August 2022.



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Appendix A

Waiver of Rule R8-8

Commission Rule R8-8 provides as follows:

- (a) Bills shall be rendered for metered service periodically, and shall show the readings of the meter at the beginning and end of the period for which the bill is rendered, the number and kinds of units of service supplied, and the date of the last meter reading.
- (b) Each bill shall bear upon its face the date when the bill was mailed, or left at the premises of the consumer, or the latest date on which it may be paid without loss of discount or incurring of penalty.

DEP requests waiver of Rule R8-8, as this Rule contemplates a traditional monthly paper bill either mailed or hand-delivered to the customer's premises after-the-fact for service rendered prior to the meter reading date stated on the bill. Participants in the Prepaid Advantage Program ("Program") will not receive a monthly bill through US mail, email or hand-delivery. In addition, the customer will normally pay for electric service before it is used, allowing the customer to pay in accordance with the customer's desired payment frequency and amount. Under the Program, the bill will be calculated on the applicable residential rate schedule but presented to the customer on a prorated daily basis. At the end of the regular billing cycle, the account will be reconciled, and end of month adjustments may be made due to rate changes or other factors to ensure that the bill under the Program matches the amount that would have otherwise been billed. A reconciliation statement will be provided at the end of the customer's normal billing cycle via the Program website that will show the rate schedule, readings, usage and amounts, and any true-up adjustments.

The customer can view daily usage, account balance, and payment history on the Program website. In addition, alerts will be sent via email, automated voice recording and/or text message informing the customer when the balance is low, when payment is received, and when connection status changes. A "low balance alert" will be issued when the estimated remaining balance is 5 days remaining, 3 days remaining and 1 day remaining. The customer may request additional alerts by adjusting their preferences on the Program website.

Waiver of Rule R8-20(b), (c), and (d)

The Company seeks waiver of the following provisions of Commission Rule R8-20:

(b) Service shall actually be discontinued only after at least 24 hours' written notice of such intention shall have been given to the consumer by the utility....

(c) Said notice herein prescribed may be given by leaving a copy thereof with such consumer at the premises where such service is rendered, or by mailing same through the United States mail to the consumer's last known post office address.

(d) Consumer shall have the privilege of paying delinquent bill at any time prior to actual disconnection of service lines supplying him; provided, that where the utility dispatches an employee to the premises of any consumer for the purpose of disconnecting service lines, a fee not to exceed one dollar may be added to consumer's delinquent bill to cover cost to utility of dispatching such employee to consumer's premises, which fee must be paid as a part of consumer's delinquent account.

Subsections (b) and (c) of Commission Rule R8-20 govern the timing, the delivery method and the information provided on any notice of disconnection. Rather than a mailed notice 24 hours prior to disconnection, the Company would provide notification to Program participants via automated voice message, text message and email, informing the customer when the balance is low, when payment is received, and when connection status changes. A "low balance alert" will be issued when the estimated remaining balance is 5 days remaining, 3 days remaining and 1 day remaining before the account balance is expected to be zero and disconnection would occur. These alerts state how much energy remains in the participant's account and urge the customer to add funds to the account to avoid service interruption. Through the website, the customer may also elect to receive additional alerts.

DEP also requests waiver of subsection (d) of Rule R8- 20, with respect to the payment arrangements offered for customers with delinquent accounts. In particular, this provision of the Rule applies to customers who are facing disconnection for delinquency in payment of bills for past usage and contemplates the utility dispatching an employee to the customer's premises to physically disconnect service. Program participants will not receive written bills for consumption incurred prior to the billing date, but rather will

typically pay for electric service before it is used. Again, they will receive “low balance alerts” before the account balance is expected to be zero and disconnection would occur. These alerts state how much energy remains in the participant’s account and urges the customer to add funds to their account to avoid service interruption.

DEP will not dispatch employees to the Program customer’s premises to disconnect service. Instead, disconnection will take place remotely and automatically no earlier than 3 p.m. on the next business day after the account balance reaches zero unless that day falls on a Friday, on a state or federal holiday, or on the day before a state or federal holiday. If the customer satisfies any negative balance and makes a payment sufficient to create a positive account balance, service will be reconnected remotely as soon as possible, 24 hours a day, 7 days a week (typically, within minutes); no reconnect fee will be charged. If the customer does not make a payment within fifteen calendar days to restore service, the account will be final billed, and the customer will need to reapply for electric service.

Waiver of Rule R8-44(4)(d)

Commission Rule R8-44 lays out the procedure for adjustments for rates varying from schedule or for other billing errors. DEP respectfully requests waiver of Subsection (4)(d) of this Rule, which provides that if the utility has undercharged a customer as a result of a misapplied schedule or error, then the utility shall recover the deficient amount as follows:

- d. The consumer shall be allowed to pay the deficient amount, in equal installments added to the regular monthly bills, over the same number of billing periods which occurred during the interval the customer was subject to pay the deficient amount.

In the event that a customer’s account is undercharged, the calculated amount undercharged will be posted as a debit in the customer’s deferred account balance. Consistent with the Prepaid Advantage tariff, prospective payments will be applied with 25 percent going towards the updated deferred balance until satisfied, and 75 percent going towards future electric use.

Waiver of Rule R12-8

Commission Rule R12-8 governs discontinuance of service for nonpayment and provides, in relevant part, as follows:

No utility shall discontinue service to a customer or impose toll denial for nonpayment of bill without first having diligently tried to induce the customer to pay the same and until after at least five (5) calendar days' written notice of discontinuance of service to the customer. The written notice may be given by first-class mail, or by other delivery to the premises served, or by other legal means of service of process, and the five (5) days' notice period shall begin to run from the day following deposit of the notice in the post office or from the day of otherwise delivery of the notice to the premises served, or from the day of other legal service. Provided, however, that in the case of any customer who has a record of abuse of or excessive use of metered or toll service for which the customer's deposit would not furnish security for such five (5) days' notice period, service may be discontinued after 24-hour notice...A report of all such service disconnections or toll denials made on such 24-hour notice under this proviso shall be filed with the Utilities Commission within thirty (30) days after the discontinuance of service.

DEP requests waiver of this Rule, because it requires the Company to provide written notice of discontinuance of service by mail or hand-delivery at least five (5) calendar days prior to discontinuing service. As discussed in the request for waiver of Rule R8-20(b) and (c) above, Program participants will not receive a traditional paper notice of discontinuance of service. They will begin receiving alerts via text, email, and/or automated voice message five days before the projected day upon which their Program account will reach zero, stating how much energy remains in their account and urging them to add funds to their account to avoid service interruption. Their balance will also be available by logging onto the website.

Waiver of Rule R12-9(b), (c), and (d)

The Company seeks waiver of the following provisions of Commission Rule R12-9:

(b) Billing Date. -- All bills for utility services are due and payable as of the billing date, or if not received by said billing date, upon receipt. The billing date shall be printed on the bill and the bill shall be placed, postage prepaid, in the U.S. Mail (or if the mail is not used, delivered to the customer) prior to or no later than the billing date.

(c) Past Due or Delinquent Bills. -- The past due or delinquent date is the first date upon which the utility may initiate disconnect proceeding under

N.C.U.C. Rule R12- 8. The past due or delinquent date shall be disclosed on the bill and shall be not less than fifteen (15) days after the billing date. In the event the utility fails to place the bill in the mail (or deliver it as in paragraph (b) above) prior to or on said billing date, the consumer shall have the right to require that the utility adjust the billing date by the number of days by which the postmark (or delivery as in paragraph (b) above) exceeds the original billing date.

(d) Finance charges. -- No interest, finance, or service charge for the extension of credit shall be imposed upon the consumer or creditor if the account is paid within twenty-five (25) days from the billing date. No utility shall apply a late payment, interest, or finance charge to the balance in arrears at the rate of more than 1% per month. The bill shall clearly state the interest rate or the amount that would be due if not paid within the allowed amount of time, including the interest, finance or service charge. All utilities which are required to file tariffs and which apply an interest, finance, or service charge must file tariff provisions to that effect. All utilities must apply the appropriate interest, finance, or service charge on a uniform basis.

These provisions of Rule R12-9 contemplate a traditional paper bill either mailed or hand-delivered to the customer after-the-fact for service rendered prior to the meter reading date stated on the bill. As explained above, Program participants will not receive written bills for consumption incurred prior to the billing date. Instead, they will pay for electric service before it is used, allowing the customer to pay in accordance with the customer's desired payment frequency and amount (as opposed to in accordance with a billing date or prior to a certain past due or delinquent date). The customer will be able to view their daily charges online and will receive alerts via email, automated voice message and/or text message as described above. The customer will also receive a reconciliation statement at the end of the customer's normal billing cycle via the Program website that will show the rate schedule, readings, usage and amounts, and any true-up adjustments.

Waiver of Rule R12-11(a), (b), (f), (g), (h), (i), (j), (k), (l), (m), and (n)

Commission Rule R12-11 outlines the procedure for disconnection of a residential customer's electric service. Several provisions of this Rule would not apply to participants if the Program were approved as proposed. Accordingly, the Company seeks a waiver as follows:

- DEP requests waiver of subsection (a) of Rule R12-11, which states “The date after which the bill is due, or the past due after date, shall be disclosed on the bill and shall not be less than twenty-five (25) days after the billing date,” and goes on to discuss effects of payment date on customers’ credit codes. Program participants will not receive a traditional monthly bill. Instead, participants may view their daily electric usage related charges and receive a reconciliation statement, as described above. Disconnection of a Program participant’s service will not affect the participant’s credit rating.
- DEP requests waiver of Section (b) of this Rule, which defines “payment” as “delivery of the amount due to a company business office or designated payment agency during regular business hours by 5:00 p.m. on the twenty-fifth (25th) day, unless such day is a Saturday, Sunday, or legal holiday...” Program participants may make payments 7 days a week (including weekends and holidays) via a variety of mechanisms (in person at authorized payment locations, online via computer or smart phone, etc.), so the limitations imposed by this subsection are not applicable to Program participants.
- DEP requests waiver of Sections (f) and (g), which prescribe (by means of billing cycle tables) milestone dates in the billing cycle process for meter readings, bills rendered for usage previously incurred, past due dates, disconnect dates, etc., depending on the customer’s credit code, and “ensures that no disconnect proceeding will be instituted prior to issuance of a second month’s bill.” As described elsewhere in these waiver requests, the payment structure of the Program is fundamentally different from an after-the-fact paper bill, and thus it would not make sense to apply the schedules contained in R12-11(f) and (g) to Program participants.
- DEP requests waiver of Section (h), which states that “No disconnects will be made prior to their being personally reviewed and ordered by a supervisor.” Under the Program, supervisory review and approval is not necessary because disconnection is done remotely and automatically and will not require issuance of a disconnect order by the utility. The Program’s disconnection procedure – from both the customer and utility perspective – is much simpler and more direct. The notices of low balance are more frequent and contemporaneous. The Program participant will be much more directly in control of the situation, and thus will no longer have to seek payment arrangements from DEP, pay deposits or service charge after disconnection, or deal with consequences of credit downgrades resulting from disconnection.

- DEP requests waiver of Section (i), which states that “The disconnect notice to the customer will state that the utility can be contacted within a 7-day period to discuss credit arrangements if payment of the bill is not possible.” As discussed earlier in these waiver requests, paper disconnect notices would be replaced for Program participants by multiple electronic alerts of low account balances. Credit arrangements are not offered for Program participants—in effect, participants develop their own payment arrangements by choosing to prepay for electricity in increments that meet their financial needs or constraints.
- DEP requests waiver of subsection (l) in its entirety. This subsection states that “Electric service to a residential customer shall not be terminated for nonpayment of a delinquent account until the utility has given such customer at least 10 days’ written notice that his service is subject to termination,” then specifies the minimum requirements for the contents of this written notice. As discussed above, the 10-day written notice will, for Program participants, be replaced by electronic alerts via email, automated voice recording and/or text message, depending upon the customer’s preference. The customer’s right to contact the Commission or Public Staff (subsection (l)(4)) and the recommendation to contact social service agencies (subsection (l)(5)) will be included with information displayed on the customer’s account on the Program website, rather than with a telephone, text, or email message. In addition, notice of the customer’s right to contact the Commission or Public Staff (subsection (l)(4)) will be included in Program participants’ initial welcome packages. Installment payment plans (Subsection (l)(3)) will not be available to Program participants, and households eligible for the winter disconnection moratorium (subsection (l)(6)) will not be eligible to participate in the Program.
- DEP requests waiver of Subsection (m)(1), which states in relevant part “At least 24 hours prior to a proposed service termination, the utility shall, in good faith, attempt to contact a customer to whom a written disconnect notice has been mailed (as well as any third party who may have been designated by the customer to receive notice pursuant to subsection (n) of this rule), either by telephone or by visit to the customer’s premises.” As previously discussed, Program participants will not receive such a written disconnect notice but will receive alerts beginning five days before the projected date upon which the balance in their Program account is expected to reach zero. Customers wishing to designate a third-party contact will be able to do so by setting up their notifications on the Program’s internet portal to include a third-party contact.

Customers can enter up to two contact numbers for each of three channels (email, automated phone alerts or text). DEP requests waiver of Subsection (m)(2), which states in relevant part, “immediately prior to the actual termination of service, the utility’s representative shall attempt to personally contact the customer on the premises. At that time, the utility’s representative shall either receive payment from the customer, or postpone termination for another 24 hours...” to give the customer a chance to pay the bill or make satisfactory payment arrangements; and Subsection (m)(3), which states “The utility shall fully document its efforts under this subsection to personally contact the customer and any designated third party representative.” A Program participant’s service will be automatically disconnected no earlier than 3 p.m. on the next business day after their balance reaches zero unless that day falls on a Friday, on a state or federal holiday, or on the day before a state or federal holiday after the participant’s balance reaches zero. Under the Program, no representative will be dispatched to the site to disconnect service or to attempt to speak to the participant. The participant will receive repeated alerts prior to disconnection informing them that they need to add more money to their account to avoid disconnection. Similar to DEC and the requirements set forth in the 2019 DEC Rate Case Order, the effectiveness of the waiver to (m)(2) will expire on December 31, 2022 unless otherwise extended by the Commission.

- DEP requests waiver of subsection (n), to the extent that it references a mailed termination notice. Subsection (n) requires that “Each electric utility shall offer its residential customers the opportunity to designate a third party to receive a copy of any proposed termination notice which may be mailed to the customer.” As explained above, Program participants will not receive any mailed termination notice; instead, they will receive repeated alerts informing them that they need to add funds to their account to avoid interruption of service. In any event, participants may designate a third-party contact to receive the required alerts and DEP will make all reasonable efforts to have on file a third-party designee, selected by the customer, who will receive any notice of termination in addition to the customer. In addition, if the third party has the Program participant’s account number and zip code, he/she may make a payment to the participant’s account via a cash location, internet, telephone, or any other internet-enabled mobile device or credit or debit card.

PREPAID ADVANTAGE PROGRAM PPA-1

AVAILABILITY

Available on a voluntary basis, at the option of the Company, to new or existing residential customers in residences, served on a non-time of use rate schedule, who are not served on Rider NM, enrolled on a budget billing program, an active deferred payment arrangement, and are not classified as “special needs” customers. Residential customers who also have service under a lighting schedule that is deemed permissible by the Company are eligible to participate in the program. Customers who also have service under a nonresidential schedule may participate in this only under the condition that the residential service is established under a separate account from the electric service(s). Customers may not participate in non-regulated utility products and services unless the Company decides participation in the product or service is deemed permissible under the program.

PROGRAM PROVISIONS

Under this program, the Customer will pay for electric service before it is consumed allowing the customer to pay in accordance with the customer’s desired payment frequency and amount.

To enroll in this program, the customer must make a minimum initial payment of \$40.00. If the applicant for this program is an existing customer with an outstanding balance of no more than \$500, (a) any cash deposit on record may be applied as the initial payment (b) payments will be applied with 25% of the payment going towards an unpaid balance until satisfied with 75% going toward future electric use.

Participants in this program will have access to kilowatt hour usage on a daily basis along with an estimate of the daily cost of electricity via an internet website. The Company will send text messages and/or email alerts which provide estimated dollar amounts remaining before the balance becomes zero. Failure to receive a properly sent alert shall not entitle the customer to additional time to pay to avoid interruption of service. Failure to maintain a positive account balance may result in disconnection of service on the day after the account balance reaches zero; however, service disconnections will occur Monday through Thursday no earlier than 3:00 p.m. If disconnection of service is delayed for any reason when the prepayment balance is zero, the customer will accrue a debit balance and the debit balance must be paid along with a payment toward future service in order to maintain or restore service. Service will be reconnected once sufficient payment is received and no reconnect fee will be charged to the customer.

Participating customers must have a valid email address and internet access. Alerts will be sent to customers based on the estimated remaining balance with 5, 3 and 1 day(s) remaining. The customer may also elect to receive additional alerts via the website.

The estimated amounts provided to customers on a daily basis will be calculated based on the charges in the applicable rate schedule divided by the number of days in the billing period. At the end of the customers’ normal billing schedule, a monthly bill will be calculated in the same manner as non-participating customers. As a result, an adjustment will be made to the account balance at the end of the regular billing cycle to ensure that amount billed for the month is consistent with the approved rate schedule and other charges. A month end adjustment will

also be made in the case of an initial or final bill, certain rate changes, changes in municipal fees, taxes, etc. during a regular billing cycle.

If the customer discontinues service under this program but continues electric service at the same residence, the customer will be returned to normal monthly billing and a deposit or other security may be required.

If the customer voluntarily discontinues service at a location, any credit balance on the account will either be refunded to the customer or transferred to the customer's account at a new location.

If the customer's service is disconnected for failure to make a payment towards future service and does not make a payment within fifteen (15) days to restore service, the account will be final billed and the customer will need to reapply for electric service.

Effective for service on and after _____, 2022
Docket No. E-2, Sub 1290