

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-100, SUB 138

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Rulemaking Proceeding to Standardize the	) ORDER ADOPTING NEW
Indices Used to Measure and Report Electric	) SERVICE QUALITY RULES FOR
Utility Service Quality	) ELECTRIC UTILITIES

BY THE COMMISSION: On June 29, 2012, the Commission issued an Order Approving Merger Subject to Regulatory Conditions and Code of Conduct in Docket Nos. E-2, Sub 998 and E-7, Sub 986 (Merger Dockets). In Ordering Paragraph No. 22, the Commission directed that “Duke Energy Carolinas, LLC (DEC), Progress Energy Carolinas, Inc., (PEC)<sup>1</sup> [the Companies], and the Public Staff will work with other interested parties to propose within 90 days after the close of the merger<sup>2</sup> a Commission rulemaking to standardize the indices used to measure and report electric utility service quality.”

On November 26, 2012, after being granted extensions of time, the Companies and the Public Staff filed a Petition to Standardize Electric Service Quality Indices in this docket, in which they proposed a Commission rule formalizing and standardizing the requirements for reporting the reliability of electric utility service by electric public utilities operating in the State. The Companies and the Public Staff noted that, at the time, there were no formal Commission requirements for reporting the reliability of electric utility service by the electric public utilities operating in the State. The Companies and the Public Staff further stated that the proposed rule provided that the electric utilities would report System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) data on a quarterly basis. The Companies and the Public Staff stated that, in drafting the proposed rule, they referred to the Institute of Electrical and Electronics Engineers (IEEE) Guide for Electric Power Distribution Reliability Indices 1366-2012 (IEEE Standard 1366). The Companies and the Public Staff further stated that IEEE Standard 1366 presents a set of terms and definitions that are intended to make reporting practices consistent and to enable comparisons between and among the electric public utilities.

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<sup>1</sup> On April 29, 2013, Progress Energy Carolinas, Inc., became Duke Energy Progress, Inc. (DEP).

<sup>2</sup> The merger transaction closed on July 2, 2012.

On January 25, 2013, the Commission issued an Order Requesting Comments on Proposed Rule to establish electric utility service quality metrics for all electric public utilities subject to the Commission's integrated resource plan filing requirements under Commission Rule R8-60. Comments and reply comments were filed.

On November 25, 2013, the Commission issued its Order Adopting Rule Establishing Electric Utility Service Quality Metrics and Requiring Filing of Quarterly Reports and Requesting Further Comments. In the Order, the Commission concluded, among other things, that the electric membership corporations (EMCs) should be excluded from the service reliability indices reporting requirements in this rulemaking. The Commission further concluded that DEC, DEP, and Virginia Electric and Power Company d/b/a Dominion North Carolina Power (DNCP) should be required to submit SAIDI and SAIFI data on a quarterly basis for the preceding 12 months within 30 days of the end of each quarter beginning with the quarter ending December 31, 2013. The Commission stated that the SAIDI and SAIFI indices are to be reported as outlined in IEEE Standard 1366. Commission Rule R8-40A, Service Reliability Index Reporting, attached as Appendix A to the Order, was adopted effective as of November 25, 2013.

The Commission further stated in its November 25, 2013 Order that it was interested in addressing the adoption of indices relating to customer service satisfaction similar to those required of other utilities subject to the Commission's jurisdiction. The Commission requested that the parties (DEC, DEP, DNCP, and the Public Staff) in this rulemaking discuss the development of customer service satisfaction indices, such as Average Customer Call Answer Time, Complaint Response Time, New Service Installation Factor, Commission Complaint Rate, etc. Comments and reply comments were filed by the parties.

On October 27, 2014, the Commission issued its Order Further Addressing Electric Utility Service Quality Indices (October Order). In the October Order, the Commission, among other things, found it appropriate to require that DEC, DEP, and DNCP file customer satisfaction metrics (automated response system and customer service representative) and 12-month rolling average response time performance (live voice plus technology handled calls) for North Carolina customers on a quarterly basis. The Commission instructed the parties to meet to develop a consensus recommendation for a new Rule to include in Chapter 8 of the Commission's Rules to reflect the inclusion of appropriate customer satisfaction metrics and average response time performance for North Carolina customers by no later than Monday, December 15, 2014. Further, in the October Order, the Commission found it appropriate to require that DEC, DEP, and DNCP file annually the number of new residential service installations and the average number of days in construction per installation for both underground and overhead installations. The Commission directed that the parties meet to develop a consensus recommendation for a new Rule to include in Chapter 8 of the Commission's Rules to reflect the inclusion of appropriate new

residential service installation indices for both underground and overhead installations by no later than Monday, December 15, 2014.

On December 11, 2014, DEC, DEP, and DNCP filed a joint motion for extension of time to file the required new Rules. By Order dated December 12, 2014, the Commission granted the motion.

On January 14, 2015, the Public Staff filed a motion for further extension of time for the parties to file proposed new Rules in this docket. The Public Staff requested an extension of time until January 23, 2015, for the parties to file the proposed new Rules. By Order dated January 14, 2015, the Commission granted the motion for further extension of time.

On January 23, 2015, the parties filed their consensus recommendations, as outlined below, on new Commission Rules as required in the October Order. The parties stated that they have worked together to present proposed Rules reflecting the inclusion of appropriate customer satisfaction metrics and average response time performance and the inclusion of appropriate new residential service installation indices for both underground and overhead installations.

### **Customer Satisfaction Metrics and Average Response Time Performance**

The parties noted that they used the quarterly reports that DEC and DEP currently provide to the Public Staff pursuant to Regulatory Condition No. 11.9 to guide the drafting of the proposed Rule. The parties provided a copy of the proposed Rule as Attachment 1 to the January 23, 2015 filing. The parties noted, however, that DEC and DEP have been providing system-wide data, and not North Carolina-specific only data, to the Public Staff under Regulatory Condition No. 11.9. The parties stated that DEC and DEP are presently unable to measure and track North Carolina customer calls and satisfaction independently from South Carolina customer calls and satisfaction. The parties noted that DNCP has also noted that it, too, is unable to measure and track call center performance and customer satisfaction on a North Carolina only basis.

The parties specified that DEC and DEP operate their call centers on a system-wide basis. They noted that North Carolina and South Carolina customers call into the same DEC and DEP call centers, and the call centers do not distinguish between North Carolina and South Carolina customers. The parties noted that the training, policies, and procedures for the call centers do not differ for North Carolina or South Carolina customers, and DEC and DEP use the data they collect to improve, if necessary, Carolinas' call center performance as a whole. They commented that DEC and DEP have determined that configuring its measurement and tracking of call center performance to report on a state-wide, as opposed to a system-wide, basis would presently require additional time and expense.

DEC, DEP, and DNCP stated that they have discussed this issue with the Public Staff. The parties maintained that, based on the inability of the three electric utilities to measure and track this information on a North Carolina basis only, DEC, DEP, and DNCP respectfully request to be relieved of that portion of the October Order at this time. The parties further noted that Piedmont Natural Gas Company, Inc., files its customer call center data on a system-wide basis as well and that Public Service Company of North Carolina, Inc., files information on its North Carolina service territory only, but does not have franchised service territory outside of North Carolina. The parties further noted that the Public Staff, which has monitored DEC's and DEP's call center performance since the close of the Merger between Duke Energy Corporation and Progress Energy, Inc., has indicated that it supports this request.

In addition, the parties commented that DNCP is presently implementing the processes necessary to measure and report customer satisfaction. The parties noted that DNCP has targeted July 1, 2015, for completion of the implementation, and it agrees to provide status updates to the Commission if it needs additional time. The parties stated that, based on that target date, they request a July 1, 2015 effective date for the proposed Rule on call center performance. The parties noted that with a July 1, 2015 effective date, the filing of the first quarterly report would be after the conclusion of the third quarter (July, August, and September) of 2015.

### **New Residential Service Installation Indices**

The parties noted that they have worked together to propose a new Rule as required in the October Order with respect to new residential service installations. The parties included a copy of the proposed Rule as Attachment 2 to the January 23, 2015 filing.

The parties stated that, as noted in the October Order, DEC and DEP do not currently measure and track new residential overhead service installations. The parties noted that DEC and DEP are currently working on implementing the processes required to measure and track new residential overhead service installations so that they can comply with this reporting requirement.

The parties requested that the first annual report due under the new Rule be filed 60 days after the close of the calendar year 2015.

The parties concluded by stating that if the Commission approves the proposed Rules, it will standardize the reporting requirements; however, DEC, DEP, and DNCP urged that the standardization of the reporting requirements should not result in comparisons in performance among the respective utilities. The parties stated that each utility, even DEC and DEP, has operated with different priorities, experiences, customers, and concerns, although DEC and DEP continue to integrate their respective best practices into their operations. The parties asserted that, therefore, even though

the utilities are reporting under the same Rule, the performance of one utility should not act as a yardstick to measure the performance of another. DEC, DEP, and DNCP submitted that the data they provide under these Rules better reflects each utility's own performance over time.

The parties requested that the Commission approve the proposed Rules as attached to the January 23, 2015 filing.

The Commission issued an Order on January 29, 2015, allowing interested parties to file comments on the January 23, 2015 consensus filing by no later than February 13, 2015. No party filed comments.

### **DISCUSSION AND CONCLUSIONS**

In the October Order in this docket, the Commission requested the parties to develop a consensus recommendation for new rules to be added to Commission Rule R8, specifically, customer satisfaction metrics, average response time performance, and new residential service installations. The parties were able to file a consensus recommendation, as requested. The Commission has reviewed the January 23, 2015 filing, including the new proposed rules, and finds that it is appropriate to adopt those rules.

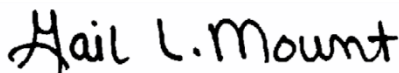
IT IS, THEREFORE, ORDERED as follows:

1. That Commission Rule R8-4A, attached hereto as Appendix A, is hereby adopted, effective July 1, 2015, with the first quarterly report to be filed reflecting third quarter of 2015 data.
2. That Commission Rule R8-4B, attached hereto as Appendix B, is hereby adopted, effective March 9, 2015, with the first annual report to be filed reflecting calendar year 2015 data.

ISSUED BY ORDER OF THE COMMISSION.

This the 9<sup>th</sup> day of March, 2015.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, flowing style.

Gail L. Mount, Chief Clerk

Commissioner Bryan E. Beatty did not participate in this decision.

**Rule R8-4A. CUSTOMER SATISFACTION METRICS AND AVERAGE RESPONSE TIME PERFORMANCE.**

(a) Purpose. – The purpose of this rule is to establish standards for measuring and reporting customer call center performance by electric utilities that own and operate electric power systems in North Carolina.

(b) Applicability. – This rule applies to Duke Energy Carolinas, LLC, Duke Energy Progress, Inc., and Virginia Electric and Power Company, d/b/a Dominion North Carolina Power.

(c) Quarterly Reports.

(1) Each electric utility in this State shall file a report on its call center performance on a quarterly basis. The data reported shall be submitted within 30 days of the end of each quarter.

(2) Call center performance reports shall include:

(a) Customer satisfaction with the automated response system and customer service representatives.

(i) Customer satisfaction metrics shall be transaction-based.

(ii) Customer satisfaction metrics shall be based on customers rating their satisfaction with the automated response system and the customer service representatives.

(iii) Results from customers rating their satisfaction with the automated response system and the customer service representatives shall be reported to the Commission for each quarter and the preceding quarters, if any, of a calendar year.

(b) Answer Rate for live voice-handled calls

(i) Total calls answered by a customer service representative as a percentage of total calls received minus technology-handled calls shall be reported on a 12-month rolling average basis.

(c) Average Speed of Answer for live voice- and technology-handled calls.

(i) Average Speed of Answer in seconds shall be reported on a 12-month rolling average basis.

**Rule R8-4B. NEW RESIDENTIAL SERVICE INSTALLATION INDICES.**

(a) Purpose. – The purpose of this rule is to establish standards for measuring and reporting new residential service installations and the average number of days in construction per installation for both underground and overhead installations by electric utilities that own and operate electric power systems in North Carolina.

(b) Applicability. – This rule applies to Duke Energy Carolinas, LLC, Duke Energy Progress, Inc., and Virginia Electric and Power Company, d/b/a Dominion North Carolina Power.

(c) Annual Reports.

(1) Each electric utility in this State shall file a report on its new residential service installations on an annual basis. The data reported shall be submitted within 60 days of the end of each calendar year.

(2) Service installation reports shall include:

(a) The number of new residential service installations for both underground and overhead installations for the preceding calendar year.

(b) The average number of days in construction per installation for both underground and overhead installations for the preceding calendar year.

(3) The beginning point for measuring the number of days in construction for both underground and overhead installations shall be the date the builder or customer acknowledges that the building site is ready for the installation work to begin. This occurs after the meter base and load wires have been installed, the site is to final grade, no obstacles impede construction, and any other construction prerequisites have been satisfied.

(4) The ending point for measuring the number of days in construction for both underground and overhead installations shall be the date when new service is energized to the meter base.