

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:	)	
Application of Duke Energy Carolinas, LLC	)	COMMENTS
For Adjustment of Rates and Charges	)	
Applicable to Electric Service in North Carolina	)	

NCSEA'S COMMENTS

In accordance with the 28 January 2014 *Order Approving Request and Authorizing Interested Parties to File Comments* issued by the North Carolina Utilities Commission ("Commission"), the North Carolina Sustainable Energy Association ("NCSEA") submits these comments in support of the relief being sought by the North Carolina League of Municipalities ("NCLM").

NCLM's Requests for Relief

On 10 February 2014, NCLM filed a *Revised Motion* in this docket. NCLM's *Revised Motion* prays the Commission enter an order directing Duke Energy Carolinas, LLC ("DEC") to:

1. By July 1, 2014, file a second LED offering that is available for the replacement of high pressure sodium vapor lights and metal halide lights;
2. Using the LED offering of Duke Energy Progress as a model, include in the LED offering a customer ownership option;
3. Using the LED offering of Duke Energy Progress as a model, include in the LED offering a variable rate component that allows the customer to benefit from the declining cost of technology under a company ownership option; and
4. Provide to the Public Staff and to the League data and assumptions regarding capital and on-going costs, as well as, energy consumption utilized by DEC in developing rates included in the subsequent LED offering, to allow those parties to better understand the rates; and
5. Meet with municipal customers, on a quarterly basis going forward, to continue collaborative efforts of modernizing the company's lighting offerings.

*Revised Motion of the North Carolina League of Municipalities*, pp. 3-4, Commission Docket No. E-7, Sub 1026 (10 February 2014).

**DEC Should Be Ordered to File A “DEP-Like”  
LED Tariff by 1 July 2014**

A. Commission Rule R8-47(a)

Commission Rule R8-47(a) provides

Utilities are urged to investigate new, more efficient lighting systems as they are developed and, where such systems are efficient and economical to the consumer, to request approval of newer systems as standard tariff items.

Duke Energy Progress, Inc. (“DEP”) investigated LEDs a number of years ago, determined LED lighting systems were “efficient and economical to the consumer,” and requested and secured approval of a consumer-oriented LED lighting tariff. DEC should do the same for the following reasons:

- DEC has not only investigated LED lighting systems,<sup>1</sup> but – since its merger with DEP – it has also had time to incorporate the DEP institutional knowledge that led to the proposal and approval of the DEP LED lighting tariff.
- Consumer-oriented LED lighting systems are economical to the consumer. As the Town of Carrboro indicated in its 24 January 2014 *Comments* filed in this docket, “the City of Asheville[, working under and with the DEP LED tariff,] is in the process of upgrading 7,400 street light fixtures to the

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<sup>1</sup> At the rate case evidentiary hearing, DEC Witness Bailey testified that a “new Duke Energy Carolinas LED tariff offering is *currently under study* and the Company hopes to file by the end of 2013.” Tr. Vol. 5 at p. 331 (DEC Witness Bailey testimony) (emphasis added evidences that DEC has “investigate[d]” LED lighting systems).

energy efficient LED technology resulting in an expected savings of \$450,000 annually” (p. 1).

Despite DEC’s investigation and the fact that LED lighting systems are efficient and economical to the municipal consumer, DEC has declined to heed Commission Rule R8-47’s “encouragement” to request approval of a consumer-oriented LED tariff. To carry out the spirit of the rule, the Commission should grant NCLM’s motion and direct DEC to file a consumer-oriented LED tariff by 1 July 2014.

*B. Regulatory Condition 11.2*

Based on the municipalities’ expressions in this proceeding, there should be no doubt that DEC’s municipal customers view DEP’s LED tariff as a “best practice.” DEC recently filed comments at the Commission that state:

Section XI of the Regulatory Conditions governs Service Quality. The intent of this section is to ensure that DEC and DEP “continue to implement and further their commitment to providing superior public utility service by meeting recognized service quality indices and implementing the best practices of each other and their Utility Affiliates, to the extent reasonably practicable.” To that end, the Regulatory Conditions provide that the Companies shall, among other things: . . . make every reasonable effort to incorporate each other’s best practices into its own practices (Reg. Con. 11.2)[.]

*Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.’s Joint Comments*, p. 3, Commission Docket No. E-100, Sub 138 (7 February 2014). To carry out the intent of Regulatory Condition No. 11.2 and ensure that DEC’s municipal customers receive superior public utility service, the Commission should grant NCLM’s motion and direct DEC to recognize DEP’s LED tariff as a “best practice” and file a DEP-like LED tariff by 1 July 2014.

DEC Should Be Ordered to Convene a Municipal Customer  
Working Group that Convenes Quarterly

At the rate case evidentiary hearing, DEC President Newton engaged in the following exchange with NCLM's Counsel:

Q: . . . you respond to the municipal customers' request for a forum to address their issues, and indicate that the Company is willing to work with the League of Municipalities to foster a dialogue. Is that a fair summary of [your] testimony?

A: Yes, it is.

Q: . . . through the testimony of League Witnesses Coughlan and Davis, the League has requested that the Commission direct the Company to convene a working group to consider service regulations and rate design issues that may facilitate innovation on the part of municipal customers. Does your testimony . . . signify the Company's agreement to this request?

A: So make sure I understood your question. You're asking whether we would agree to – to help form a working group with the League to look at service regs and rate design issues?

Q: That's correct.

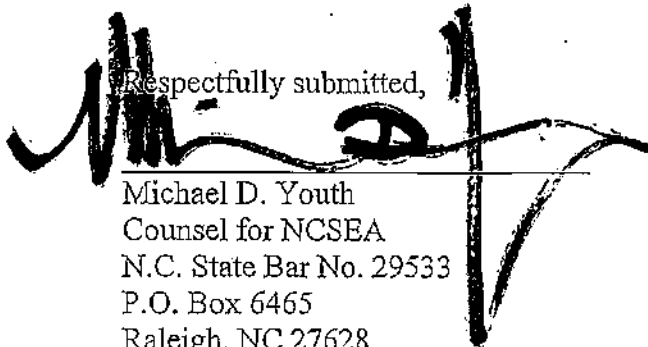
A: *Be happy to do that.*

Tr. Vol. 1 at pp. 182-83 (DEC Witness Newton testimony) (emphasis added).

Beyond DEC President Newton's testimony, DEC recently filed comments at the Commission that state that "DEC and DEP are continually working to improve the service they provide to their customers[.]" and "*DEC and DEP . . . remain prepared to discuss any and all aspects of their customer service with the Commission, the Public Staff, their customers, and any other interested stakeholder at any time.*" *Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.'s Joint Comments*, p. 2, Commission Docket No. E-100, Sub 138 (7 February 2014) (emphasis added).

In light of poor/unstructured communications in past dialogues between DEC and at least some of its municipal customers,<sup>2</sup> DEC President Newton's earlier testimony, and DEC's statement that it stands ready to discuss its customer service with its customers "at any time," the Commission should grant NCLM's motion and direct DEC to meet – in a working group format – with its municipal customers, on a quarterly basis going forward, to promote collaborative efforts on matters of mutual concern, including but not limited to lighting issues.

Respectfully submitted,

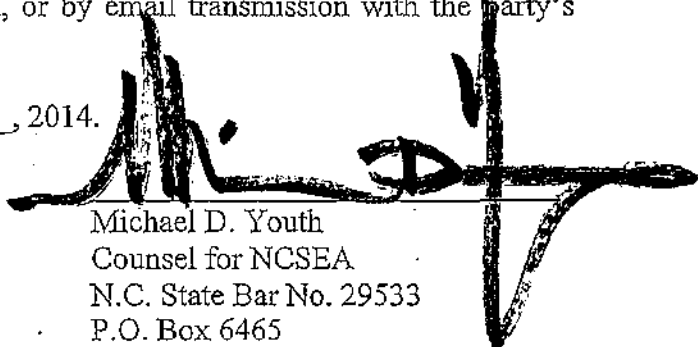


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#### CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing Comments by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party's consent.

This the 3<sup>th</sup> day of March, 2014.



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<sup>2</sup> See, e.g., Tr. Vol. 5 at p. 38 *et seq.* (exchange during rate case evidentiary hearing between DEC Witness Bailey and City of Durham's Counsel regarding an earlier meeting between DEC and some cities).