

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-100, SUB 83  
DOCKET NO. E-100, SUB 101

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-100, SUB 83

In the Matter of	)	
Investigation of Proposed Net Metering	)	
Rule	)	
	)	
DOCKET NO. E-100, SUB 101	)	ORDER APPROVING TARIFFS,
	)	RIDERS, AND REGULATIONS
In the Matter of	)	IMPLEMENTING NET METERING
Petition of Progress Energy Carolinas, Inc.,	)	AND CONSOLIDATING REPORTING
et al., for Approval of "Model" Small	)	REQUIREMENTS
Generation Standard and Associated	)	
Application to Interconnect and	)	
Interconnection Contract Forms	)	

BY THE COMMISSION: On October 20, 2005, the Commission issued an Order in Docket No. E-100, Sub 83 adopting net metering in North Carolina. In that Order, the Commission required Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (Progress); Duke Power, a division of Duke Energy Corporation (Duke); and Virginia Electric and Power Company d/b/a Dominion North Carolina Power (Dominion) to file no later than December 1, 2005, tariffs or riders to implement net metering to be effective on or before January 1, 2006.

On December 1, 2005, in compliance with the Commission's October 20, 2005, Order in Docket No. E-100, Sub 83, (1) Progress filed for approval its Net Metering for Renewable Facilities Rider NM-1; (2) Duke filed for approval Duke Power and Nantahala Riders NM (Net Metering); Schedule RT, Residential Time of Use with Net Metering (Nantahala Area); Schedule OPT, Optional Power Service, Time of Use with Net Metering (Nantahala Area); Duke Schedule RT (NC), Residential Service, Time-of-Use and Duke Schedule OPT (NC), Optional Power Service, Time-of-Use<sup>1</sup>; and (3) Dominion filed for approval Section XXV of its Terms and Conditions, which implements net metering provisions for residential and non-residential customers.

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<sup>1</sup> The Commission approved unrelated revisions to Schedule OPT (NC) on December 21, 2005, in Docket No. E-7, Sub 800 which are not reflected in the proposed schedule filed in this docket, but which should be incorporated into the approved rate schedule. The Commission also approved revisions to Schedule OPT (NC) and other Duke rate schedules on December 22, 2005, in Docket Nos. E-7, Sub 799 and E-100, Sub 101 which are not reflected in the proposed rate schedule filed in this docket, but which should be incorporated into the approved rate schedule.

On December 12, 2005, Duke filed revised Rider NM, Net Metering (Nantahala Area); Schedule RTN, Residential Time of Use with Net Metering (Nantahala Area); and Schedule OPTN, Optional Power Service, Time of Use with Net Metering (Nantahala Area). Duke Power proposed that these schedules, intended for use in its Nantahala area, replace those previously filed for Nantahala use in this Docket on December 1, 2005. The proposed new Net Metering riders and the new time-of-use rates for use in the Nantahala area comply with the Commission's Order adopting net metering in Docket No. E-100, Sub 83. The Duke RT and OPT schedules are updated to reference use with the new Net Metering rider.

Also in its December 1, 2005 filing, in the interests of judicial economy, Duke requested that the Commission consolidate the reporting requirements in Ordering Paragraph Four of the March 22, 2005, Order in Docket No. E-100, Sub 101 and Ordering Paragraph Two of the October 20, 2005, Order in Docket No. E-100, Sub 83, thus allowing it to submit a single annual report that covers all of the items listed in these two orders.<sup>2</sup>

On December 12, 2005, the North Carolina Sustainable Energy Association (NCSEA) filed a Motion for Reconsideration of the Commission's October 20, 2005, Order in Docket No. E-100, Sub 83. In its Motion, the NCSEA argues that the net metering rule approved in North Carolina is one of the more restrictive and difficult to use in the country. The NCSEA requests that the Commission order the utilities to modify their proposed riders primarily to (1) eliminate the requirement of time-of-use demand rates; (2) eliminate the prohibition on the use of battery-enhanced systems; and (3) add micro-hydro technologies. In addition, the NCSEA filed comments in both Docket Nos. E-100, Sub 83 and E-100, Sub 101 on December 12, 2005, raising concerns with interconnection issues in the proposed net metering riders.

On December 16, 2005, Progress filed a Response in Opposition to the NCSEA's Motion for Reconsideration. In its Response, Progress requests that the Commission deny the NCSEA's Motion and approve the proposed net metering riders or allow an additional opportunity for the parties to more fully respond to the Motion.

The Public Staff presented this matter at the Commission's Regular Staff Conference on December 19, 2005.

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<sup>2</sup> In its October 20, 2005, Order in Docket No. E-100, Sub 83, the Commission ordered that the PV riders allowed to become effective for Progress and Duke by Order dated August 4, 2000, be closed effective January 1, 2006, that timely notice of this decision be provided to existing customers, and that existing customers on the PV riders be transferred to a time-of-use demand rate schedule with net metering effective January 1, 2006, unless they notify their utility no later than December 15, 2005, of their desire to opt out. In its December 1, 2005, filing, Duke requested that the Commission extend the availability of its PV Rider because of concerns raised in comments filed by the North Carolina Sustainable Energy Association (NCSEA) in Docket No. E-7, Sub 799. The NCSEA's comments in that docket raised concerns with Duke's proposed Small Customer Generator (SCG) Rider, which would replace the existing PV Rider. In an Order issued December 22, 2005, in Docket Nos. E-7, Sub 799 and E-100, Sub 101, the Commission ordered Duke's Rider PV closed to new customers, but extended its availability to existing customers pending resolution of the NCSEA's comments and further order of the Commission.

After careful consideration, and upon the recommendation of the Public Staff, the Commission concludes (1) that Progress's Rider NM-1 should be approved; (2) that the Net Metering riders and tariffs as filed by Duke on December 1, 2005, and amended on December 12, 2005, should be approved; (3) that Section XXV of Dominion's Terms and Conditions should be approved; and (4) that Duke's request to combine the reporting requirements of Docket Nos. E-100, Sub 101 and E-100, Sub 83 into a single annual report should be granted. The approval herein of the net metering riders is without prejudice to the resolution of the NCSEA's Motion for Reconsideration, which will be decided shortly.

IT IS, THEREFORE, ORDERED as follows:

1. That Progress's Net Metering for Renewable Facilities Rider NM-1 is approved effective January 1, 2006;
2. That Duke Power Net Metering Rider NM (NC), Schedule RT (NC), and Schedule OPT (NC) filed on December 1, 2005, and Rider NM (Nantahala area only), Schedule RTN (Nantahala area only), and Schedule OPTN (Nantahala area only), as revised in Duke's December 12, 2005, filing, are approved effective January 1, 2006;
3. That Dominion's Terms and Conditions Section XXV Net Metering are approved effective January 1, 2006;
4. That Progress, Duke, and Dominion file a consolidated annual report in Docket No. E-100, Sub 101A by March 31 of each year, beginning March 31, 2006, which incorporates the reporting requirements of Ordering Paragraph Four of the March 22, 2005, Order in Docket No. E-100, Sub 101 and Ordering Paragraph Two of the October 20, 2005, Order in Docket No. E-100, Sub 83.

ISSUED BY ORDER OF THE COMMISSION.

This the 27<sup>th</sup> day of December, 2005.

NORTH CAROLINA UTILITIES COMMISSION

*Gail L. Mount*

Gail L. Mount, Deputy Clerk