



Resolution Requesting Customer Owned LED Street Light Rates for Replacement of HPS and Mercury Vapor Street Lights

WHEREAS, the Town of Carrboro has in interest in lowering the Town's Greenhouse Gas Emissions; and,

WHEREAS, many local governments are looking to use LED street lights to save taxpayer money; and,

WHEREAS, the City of Asheville is in the process of upgrading 7,400 street light fixtures to the energy efficient LED technology resulting in an expected savings of \$450,000 annually and 1,294 tons of avoided carbon which is equal to the emissions from burning 7 rail cars of coal; and,

WHEREAS, The implementation of the LED program in Asheville was made possible by Progress Energy's implementation of a new rate structure in April 2010 for customer-owned LED street lights that allowed the City to own the LED fixtures installed on the utility owned arm and pole; and,

WHEREAS, the monthly rate for the customer –owned LED option is about half that of the company-owned LED option because it does not include the capital cost of purchasing the fixture, and reflects the lower energy usage of LEDs; and,

WHEREAS, All cities and towns in North Carolina could greatly benefit from converting streetlights to LED technology; and,

WHEREAS, Duke filed for a rate increase on February 4, 2013 Docket E-7 Sub 1026; and,

WHEREAS, Carrboro joined with other municipalities and the NCLM intervened in the rate case and advocated Duke Energy Carolina's offer an LED customer-owned street light rate similar to that enjoyed by DEP customers; and,

WHEREAS the NCUC filed on September 24, 2013 an order that includes a request for a tariff for LED street lights that is feasible for municipal customers; and,

WHEREAS, on December 31, 2013, Duke Energy filed a proposed LED rate schedule that include utility-owned options only; the tariffs do not include customer-owned LED rate options and limit replacement for municipal street lights to Mercury Vapor only and not HPS street lights; and,

WHEREAS only 10% of Carrboro's Duke Energy street lights are Mercury Vapor; and,

WHEREAS savings for municipalities from dramatic drops in LED fixture prices will be less through a utility owned option; and,

WHEREAS Duke Energy is not being responsive to the League's intervention in this E-7, Sub 1026 rate case; and,

WHEREAS the public staff will recommend to the NCUC that it order Duke Energy Carolinas to provide a customer owned LED street light rate by July 1, 2014 or an explanation for why it can't; and,

WHEREAS rate cases should be determined on the merits of arguments; not on whether arguments are provided or not; and,

WHEREAS, the LED rate schedule has been placed on the agenda for the NCUC/Public Staff meeting on January 27, 2014; and,

WHEREAS the Duke Energy and Progress merger was explained to the NC Utility Commission to be in the best interest of North Carolina ratepayers, because the merged company intended to "leverage the companies' best practices in all aspects of [their] operations which would result in additional efficiencies and improvements over time that would result in ratepayer savings."^[1] ; and,

WHEREAS the NCUC is responsible to both the public and the utilities and, by law (G. S. 62-2), must regulate in a manner designed to implement the policy of the state of North Carolina to: Provide fair regulation of public utilities in the interest of the public; promote adequate, reliable, and economical utility service; promote least cost energy planning; Provide just and reasonable rates and charges for public utility services and promote conservation of energy.

THEREFORE, BY IT RESOLVED BY THE CARRBORO BOARD OF ALDERMEN, THAT:

Section 1. In the matter of the NCLM intervention in the Duke Energy rate case, the North Carolina Utilities Commission require:

1. That Docket E-7, Sub 1026 not be considered resolved until the following points are addressed; and

^[1] See Joint Testimony of James E. Rogers and William D. Johnson, N.C.U.C. Docket Nos. E-7, Sub 986, and E-2, Sub 998, filed May 20, 2011, p. 12,11 18-20 through p. 13,1. 1. See also Order Approving Merger Subject to Regulatory Conditions and Code of Conduct, N.C.U.C. Docket Nos. E-7, Sub 986, and E-2, Sub 998, issued June 29, 2012, Finding of Fact 18

- a. A Customer owned LED street light option:
 - i. Included for the LP schedule by at the latest July 1, 2014
 - ii. For replacement of all existing types of street light fixtures (not just mercury vapor) ; and
 - b. A utility owned rate schedule:
 - i. For making outdoor lighting rates available for replacement of all existing types of fixtures (not just mercury vapor) by July 1, 2014; and
 - ii. A schedule for the timing of replacement of outdoor lighting with LEDs for lights owned by Duke for all types of lights and interested customers, and commit to completing all replacements by 2016; and
 - iii. A requirement for revising/reducing rates annually in consideration of the rapid decline in upfront costs for LED fixtures; and
- 2. Complete financial transparency in outdoor lighting rate establishment, meaning public disclosure of all cost assumptions, including profit margin and return on investment. The NCUC should reject the rates if it deems the profits to be unreasonable and not in the public interest; and
 - 3. A commitment to municipal and NCLM review prior to any additional filings in response to the above comments by April 1, 2014, allowing for time before the July 1st deadline.

Section 2. The Town of Carrboro requests that the League of Municipalities, the NCUC Public Staff and the NCUC Oppose DEP 2013 Rate Case Docket E-7 Sub 1025 filings that allow Duke Energy Carolina to postpone already tested and proven customer-owned LED street light rates for replacement of both HPS and Mercury Vapor street lights

Section 3. The Town of Carrboro requests the help of the League of Municipalities to hold the North Carolina Utility Commission accountable to the public per the NCUC's stated mission "to regulate in a manner designed to implement the policy of the state of North Carolina by law (G. S. 62-2) to provide just and reasonable rates and charges for public utility services and promote conservation of energy."