



**OFFICIAL COPY**

March 10, 2010

Ms. Renne Vance  
Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4325

**FILED**  
**MAR 10 2010**  
Clerk's Office  
N.C. Utilities Commission

RE: Docket No. E-100, Sub 124

Dear Ms. Vance:

Please accept this letter as Progress Energy Carolinas, Inc.'s and Duke Energy Carolinas' ("the Utilities") objection to the Southern Environmental Law Center's, Environmental Defense Fund's, Southern Alliance for Clean Energy's and the Sierra Club's ("the Enviros") request that their witness David Schlissel be allowed to present his testimony on March 17, 2010.

By order issued October 19, 2009, the North Carolina Utilities Commission ("the Commission") scheduled an evidentiary hearing in this proceeding for March 16, 2010. Importantly, the Commission did not state anywhere in its order that the evidentiary hearing was scheduled for more than one day. Thus, all parties have been on notice for five months that the hearing in this matter would be held March 16, 2010, that the duration of the hearing was expected to be a single day and that all parties should arrange their schedules accordingly. The Commission's October 19, 2009 order also required petitions to intervene be filed by February 12, 2010. On February 8, 2010, four days prior to the deadline for interventions, the Southern Environmental Law Center ("SELC") filed a motion to intervene and a motion for extension of time to file direct testimony. In its motion SELC acknowledged the scheduled hearing date of March 16, 2010. The remaining Enviros filed a petition to intervene on February 11, 2010, the next to last day to intervene.

Now, one week before the scheduled hearing in this proceeding, the Enviros basically ask that the hearing be extended to March 17, 2010 to accommodate a

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single witness who apparently has chosen to meet with the Oregon Public Utility Commission staff rather than attend the evidentiary hearing in this proceeding. To be clear, the Enviro's witness, David Schlissel, and apparently the Enviro's themselves, have chosen to have Mr. Schlissel attend a conference with the Oregon Commission staff on March 15, 2010, allow him a full day to return to the east coast and then present his testimony on March 17, 2010, rather than make attending the Commission's long scheduled IRP hearing his top priority.

It is important to consider the impact of the Enviro's request. The North Carolina IRP hearing will begin at 9:00 a.m. March 16, 2010. The first witnesses will be the PEC panel, followed by the Duke witness panel. Testimony from these witnesses will probably be complete by the lunch break. Thereafter, the testimony order (being as charitable as possible to the Enviro's) will be CPI USA, NC WARN, the Enviro's, the Public Staff and then Duke and PEC rebuttal witnesses. It is PEC's understanding that the only parties with any material amount of cross examination for NC WARN and the Enviro's are Duke and PEC. PEC is probably the only party with any cross-examination of CPI USA, and PEC has less than 15 minutes of cross-examination for it. PEC and Duke have little, if no, cross-examination of the Public Staff witnesses. Thus, it is highly likely that there will be ample time on March 16, 2010 for Mr. Schlissel to present his testimony. As a result, if the Enviro's request is granted, the hearing on March 16, 2010 will be terminated early and then all parties will have to return on March 17, 2010 for Schlissel's testimony and then the utilities' rebuttal. Basically, all of the parties to this proceeding will be inconvenienced to accommodate a single witness who voluntarily placed himself in a conflict and chose to make the Oregon Commission staff his first priority. Those parties residing distant to Raleigh will be forced to incur additional lodging expense as well.

It is worth noting that in anticipation of the IRP hearing being completed on March 16, certain Utilities personnel participating in the IRP hearing made plans to attend a seminar on March 17. The Utilities personnel were certainly aware that the hearing could possibly extend beyond March 16 and will obviously forego the seminar to be present if the hearing carries over to March 17. However, the Utilities personnel should not be expected to alter their previous commitments merely to resolve a conflict created by Mr. Schlissel, who has had ample notice of the hearing date in this proceeding.

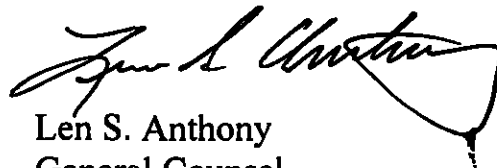
However, there is a simple solution to this matter. As the Utilities read Mr. Schlissel's testimony he recommends that: 1) PEC consider using a higher carbon tax range in its 2010 IRP; 2) while Duke's carbon tax range appears reasonable,

that Duke should consider using a broader range; 3) PEC and Duke consider in developing their 2010 IRP the fact that the United States Environmental Protection Agency is considering regulating coal combustion products as hazardous waste; and 4) given that natural gas is currently forecasted to be plentiful and natural gas prices are forecasted to be relatively low over the planning horizon, the utilities and the Commission should strongly consider choosing natural gas-fired generation when a supply-side resource is needed. Duke and PEC will agree that in their 2010 IRPs they will re-evaluate their assumptions about greenhouse gas regulation and its costs, will consider the impacts on their resource plans if EPA publishes a proposed rule regarding coal combustion products, and will consider the impact of shale natural gas deposits on natural gas price forecasts. If the Enviros will agree that this is the import of Mr. Schlissel's testimony, there is no reason for him to appear at the hearing.

In conclusion, the Utilities propose a stipulation with the Enviros that will negate the need for Mr. Schlissel to appear at the hearing and will resolve his self-made scheduling conflict.

In any case, the Utilities request the Commission reject the Enviros' request that witness Schlissel be given a date certain of March 17, 2010 to present his testimony. Finally, the Utilities request the Commission make clear to the Enviros that if they reject the Utilities' offer of a stipulation, then their witness Schlissel will be expected to appear on March 16 or run the risk of losing any opportunity to present his testimony.

Very truly yours,



Len S. Anthony  
General Counsel  
Progress Energy Carolinas, Inc.

LSA:mhm

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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**DOCKET NO. E-100, SUB 124**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:

Investigation of Integrated Resource       )  
Planning in NC - 2009                               )

**CERTIFICATE OF  
SERVICE**

I, Len S. Anthony, hereby certify that Progress Energy Carolinas, Inc.'s and Duke Energy Carolinas, LLC ("the Utilities") objection to the Southern Environmental Law Center's, Environmental Defense Fund's, Southern Alliance for Clean Energy's and the Sierra Club's ("the Enviros") request that their witness David Schlissel be allowed to present his testimony on March 17, 2010 has been served on all parties of record either by hand delivery or by depositing said copy in the United States mail, postage prepaid, addressed as follows this the 10th day of March, 2010:

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