

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1002

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Carolina Power & Light Company,	) ORDER SCHEDULING
d/b/a Progress Energy Carolinas, Inc., for	) HEARING, REQUIRING FILING
Approval of DSM and Energy Efficiency Cost	) OF TESTIMONY,
Recovery Rider Pursuant to G.S. 62-133.9 and	) ESTABLISHING DISCOVERY
Commission Rule R8-69	) GUIDELINES, AND
	) REQUIRING PUBLIC NOTICE

BY THE COMMISSION: In August 2007, North Carolina enacted comprehensive energy legislation, Session Law 2007-397 (Senate Bill 3), that, among other things, establishes a Renewable Energy and Energy Efficiency Portfolio Standard for this State and a revised procedure for cost recovery of demand-side management (DSM) and energy efficiency (EE) expenditures. G.S. 62-133.9(d) provides for an annual DSM/EE rider for each electric public utility to recover all reasonable and prudent costs incurred for adoption and implementation of new DSM and new EE measures and appropriate incentives. Commission Rule R8-69(b) also provides for the establishment of a DSM/EE experience modification factor (EMF) rider to allow the electric public utility to collect the difference between reasonable and prudently incurred costs and the revenues that were actually realized during the test period under the DSM/EE rider then in effect. Rule R8-69(e) further provides that the annual DSM/EE cost recovery rider hearing for each electric public utility will be scheduled as soon as practicable after the annual fuel and fuel-related charge adjustment proceeding hearing held by the Commission for the electric public utility under Rule R8-55 and that each electric public utility shall file direct testimony and exhibits at the same time that it files the information required by Rule R8-55. Rule R8-69(f) provides that each electric public utility shall publish notice prior to the hearing.

On June 3, 2011, Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. (PEC or Applicant), filed its application for approval of DSM/EE cost recovery pursuant to G.S. 62-133.9 and Rule R8-69. By its application PEC requests a total annual revenue increase of approximately \$25.2 million, effective December 1, 2011, from the DSM/EE rider currently in effect. This request would result in an increase of 0.116 cents per kilowatt-hour (kWh) for residential customers. The effect of this request would increase the monthly bill of a residential customer using 1,000 kWhs of electricity by \$1.16. Non-residential customers, depending upon their participation in PEC's DSM or EE programs, would see a DSM/EE rider increase of .065 cents per kilowatt-hour and lighting customers would see an increase of .018 per kilowatt-hour

The Commission finds good cause to issue the present Order scheduling this matter for public hearing, establishing discovery guidelines, and providing for public notice of the hearing. The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition which a party desires to take shall be taken before the deadline for filing of Public Staff and intervenor testimony. Notice of deposition shall be served on all parties at least seven days prior to the taking of the deposition.

2. Any motion for subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for filing of Public Staff and intervenor testimony, shall be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding. G.S. 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena 24 hours after such motion is filed.

3. Formal discovery requests related to the application and the Applicant's profiled direct testimony shall be served on the Applicant's by hand delivery or facsimile not later than fourteen days prior to the deadline for filing of Public Staff and intervenor testimony. The party served shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten days prior to the deadline for filing of Public Staff and intervenor testimony.

4. Formal discovery requests of the Public Staff or intervenors shall be served by hand delivery or facsimile not later than three days after such testimony is filed. The party served shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than five days after that party's testimony was filed.

5. Formal discovery requests related to the Applicant's profiled rebuttal testimony shall be served on the Applicants by hand delivery or facsimile not later than two days after such testimony is filed. The party served shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than three days after the rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery from the Applicants.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the

party seeking discovery shall have two days to file a motion to compel with the Commission, and the party objecting to discovery shall have one day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party by hand delivery or facsimile at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery because of that party's late intervention or other delay in initiating discovery.

The Commission recognizes that in the past most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That a public hearing shall be, and hereby is, scheduled to begin immediately following the hearings in Docket No. E-2, Subs 1001 and 1000, which are scheduled to begin at 9:30 a.m., on Tuesday, September 27, 2011, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the purpose of considering the annual DSM/EE cost recovery proceeding for PEC;

2. That any person having an interest in this proceeding may file a petition to intervene stating such interest on or before Wednesday, September 7, 2011;

3. That the direct testimony and exhibits of interveners shall be filed on or before Wednesday, September 7, 2011;

4. That PEC may file rebuttal testimony and exhibits no later than Friday, September 16, 2011;

5. That PEC shall publish the Notice attached hereto as Appendix A in a newspaper or newspapers having general circulation in its service area once a week for two successive weeks beginning at least 45 days prior to the hearing;

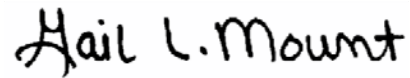
6. That PEC shall file affidavits of publication on or before the date of the hearing; and

7. That the parties shall comply with the discovery guidelines established herein.

ISSUED BY ORDER OF THE COMMISSION.

This the 8<sup>th</sup> day of June, 2011.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, slightly stylized font.

Gail L. Mount, Deputy Clerk

Bh060811.03

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1002

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application of Carolina Power & Light )  
Company, d/b/a Progress Energy Carolinas, ) PUBLIC NOTICE  
Inc., for Approval of DSM and Energy )  
Efficiency Cost Recovery Rider Pursuant to )  
G.S. 62-133.9 and Commission Rule R8-69

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has scheduled a hearing in the annual demand-side management (DSM) and energy efficiency (EE) cost recovery proceeding for Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. (PEC). The public hearing has been scheduled to begin immediately following the hearings in Docket No. E-2, Subs 1001 and 1000, which are scheduled to begin at 9:30 a.m., on Tuesday, September 27, 2011, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. This proceeding is being held pursuant to the provisions of G.S. 62-133.9 and Commission Rule R8-69, for the purpose of determining whether an increment or decrement rider is required to allow PEC to recover all reasonable and prudent costs incurred for adoption and implementation of new DSM and new EE measures and appropriate incentives.

PEC filed an application and testimony relative to the subject matter of the proceeding on June 3, 2011. By its application PEC requests a total annual revenue increase of approximately \$25.2 million, effective December 1, 2011, from the DSM/EE rider currently in effect. This request would result in an increase of 0.116 cents per kilowatt-hour (kWh) for residential customers. The effect of this request would increase the monthly bill of a residential customer using 1,000 kWhs of electricity by \$1.16. Non-residential customers, depending upon their participation in PEC's DSM or EE programs, would see a DSM/EE rider increase of 0.065 cents per kilowatt-hour and lighting customers would see an increase of 0.018 cents per kilowatt-hour.. Industrial and large commercial customers that have, under G.S. 62-133.9, opted out of and never participated in PEC's DSM and EE programs are not subject to the rider. Further information may be obtained from the Office of the Chief Clerk, North Carolina Utilities Commission, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of PEC's application is available for review by the public. Also, documents may be viewed on the Commission's website at [www.ncuc.net](http://www.ncuc.net).

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include any

information that the writers wish to be considered by the Public Staff in its investigation of the matter. Such statements should be addressed to Mr. Robert P. Gruber, Executive Director, Public Staff 4326 Mail Service Center, Raleigh, North Carolina 27699-4326.

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Roy Cooper, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina, 27699-9001.

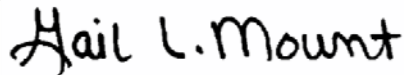
Written statements are not evidence unless the writers appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in this proceeding as formal parties should file a petition to intervene pursuant to Commission Rules R1-5 and R1-19 on or before Wednesday, September 7, 2011. Such petitions should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. The direct testimony and exhibits of expert witnesses to be presented by intervenors should also be filed with the Commission on or before Wednesday, September 7, 2011.

ISSUED BY ORDER OF THE COMMISSION.

This the 8<sup>th</sup> day of June, 2011.

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, Deputy Clerk