

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 127
DOCKET NO. E-100, SUB 136

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-100, SUB 127)	
)	
In the Matter of)	
Biennial Determination of Avoided Cost)	
Rates for Electric Utility Purchases from)	ORDER REQUESTING
Qualifying Facilities – 2010)	COMMENTS ON MOTION
)	TO SUSPEND AVAILABILITY
DOCKET NO. E-100, SUB 136)	OF AVOIDED COST RATES
)	
In the Matter of)	
Biennial Determination of Avoided Cost)	
Rates for Electric Utility Purchases from)	
Qualifying Facilities – 2012)	

BY THE CHAIRMAN: On November 1, 2012, Progress Energy Carolinas, Inc. (PEC), filed a motion in the above-captioned dockets requesting that the Commission (1) suspend as of December 1, 2012, the availability of PEC's Schedule CSP-27 long-term rates approved in Docket No. E-100, Sub 127, and (2) authorize PEC to offer to purchase from eligible qualifying facilities (QFs) that have not entered into a purchase power agreement (PPA) with PEC as of December 1, 2012, energy, capacity, or both based on the variable rates approved in Docket No. E-100, Sub 127 until the Commission approves new long-term rates proposed by PEC.

In support of its motion, PEC states, among other things, that on November 1, 2010, in Docket No. E-100, Sub 127, PEC filed its then current avoided cost information pursuant to Section 292.103 of the Federal Energy Regulatory Commission regulations implementing Section 210 of the Public Utility Regulatory Policies Act of 1978. The Commission approved the avoided cost rates on PEC's Schedule CSP-27 by Order issued on July 27, 2011. Further, pursuant to the Commission's Order of June 18, 2012 in Docket No. E-100, Sub 136, PEC will file its proposed new avoided costs and rates for purchases from QFs eligible for proposed Schedule CSP-29 on November 1, 2012. PEC's proposed Schedule CSP-29 long-term rates are lower than the existing CSP-27 rates because of declining cost projections. Thus, PEC contends that the proposed lower rates may prompt QFs to try to "lock in" at the higher current rates before the Commission issues an order addressing PEC's proposed rates. Therefore, PEC requests that the Commission authorize PEC to revise its currently approved Schedule CSP-27 to provide that PEC will suspend those long-term rates as of December 1, 2012, and instead make available to QFs seeking PPAs its currently-approved variable

rates on Schedule CSP-27, which rates would remain available to QFs seeking to contract with PEC during the period of time between December 1, 2012 and the date that the Commission issues its order in Docket No. E-100, Sub 136 approving PEC's new long-term rates. PEC states that QFs that execute contracts containing the variable rates after the December 1, 2012 expiration of the long-term rates on CSP-27 would be allowed to amend their contracts to select one of the long-term rates for which they are eligible once new avoided cost rates are approved by the Commission. Further, PEC states that its proposal to suspend its long-term rates is consistent with Duke Energy Carolinas, LLC's (DEC's) process for suspension of the availability of DEC's long-term rates. PEC states that in Docket No. E-100, Sub 127 the Commission approved DEC's proposal to suspend the availability of its long-term rates reflected in Schedules PP-N and PP-H to eligible QFs that were not under contract with DEC on or before November 1, 2012.

On November 6, 2012, the North Carolina Sustainable Energy Association filed a brief stating that it opposes PEC's motion.

Based on PEC's motion and the record in these dockets, the Chairman finds good cause to request that the Public Staff and other interested parties file comments and reply comments on PEC's motion.

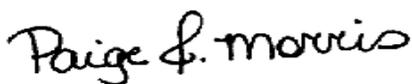
IT IS, THEREFORE, ORDERED as follows:

1. That on or before Wednesday, November 21, 2012, the Public Staff and the other parties to these dockets may file initial comments on PEC's motion; and
2. That on or before Wednesday, December 5, 2012, PEC and all other parties may file reply comments.

ISSUED BY ORDER OF THE COMMISSION.

This the 8th day of November, 2012.

NORTH CAROLINA UTILITIES COMMISSION



Paige J. Morris, Deputy Clerk