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April 23, 2010

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

FILED

APR 23 2010

Clerk's Office
N.C. Utilities Commission

RE: Docket No. E-7, Sub 831

Dear Ms. Vance:

Attached for filing in the above-referenced docket are the original and 30 copies of Progress Energy Carolinas, Inc.'s Comments in response to Duke Energy Carolinas' Motion for Clarification and Reconsideration.

Yours very truly,

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

LSA:mhm

Attachment

STAREG949

Progress Energy Service Company, LLC
P.O. Box 1551
Raleigh, NC 27602

AG
7Comm
Bennink
Rimay
Wakan
Hower
Seasoms
Rita
Hilburn

Encs
Jones
Gruen
Legal 3
Acad 3
Econ 2
Elec. 3

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

FILED

APR 23 2010

Clerk's Office
N.C. Utilities Commission

DOCKET NO. E-7, SUB 831

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Carolinas,)	
LLC for Approval of Save-a-Watt)	
Approach, Energy Efficiency Rider and)	PROGRESS ENERGY
Portfolio of Energy Efficiency)	CAROLINAS, INC.'S
Programs)	COMMENTS

Pursuant to the North Carolina Utilities Commission's ("the Commission") order issued April 6, 2010, Progress Energy Carolinas, Inc. ("PEC") submits its comments regarding Duke Energy Carolinas' Motion for Clarification and Reconsideration in Docket No. E-7, Sub 831. In support thereof, PEC shows the following:

1. The matter at issue in this proceeding is:

Whether a utility's demand-side management and/or energy efficiency ("DSM/EE") programs or measures that have the primary purpose of promoting general awareness and education of energy efficiency as well as research and development activities are ineligible for the recovery of net loss revenues?

PEC's position on this matter is quite simple, to the extent a utility can demonstrate that a DSM/EE program or measure reduces its customers' demand or energy usage, the utility should be allowed to recover its reasonable and prudent costs

associated with the program or measure, net lost revenues and an appropriate incentive.

2. The "label" that is applied to a program or measure as to whether it is a general awareness and education program or a measure or program that is intended to cause a specific change in customer behavior should not be used to disallow appropriate cost recovery. The real, and only, issue is whether the action by the utility actually results in reductions in kilowatts or kilowatt-hours. To do otherwise would create a disincentive for a utility to offer these type programs and measures and result in lost DSM/EE opportunities.

WHEREFORE, PEC asks the Commission to declare that if a program or measure approved by the Commission is specifically designed to result in verifiable kilowatt and kilowatt-hour reductions the utility offering such program or measure should be allowed to recovery all reasonable and prudent costs, net lost revenues and incentives.

Respectfully submitted, this 23rd day of April, 2010.

PROGRESS ENERGY CAROLINAS, INC.



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STATE OF NORTH CAROLINA

**UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 831

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Carolinas, LLC)	
for Approval of Save-a-Watt Approach,)	CERTIFICATE OF SERVICE
Energy Efficiency Rider and Portfolio of)	
Energy Efficiency Programs)	
)	

I, Len S. Anthony, hereby certify that Progress Energy Carolinas, Inc.'s Comments have been served on all parties of record either by hand delivery, email or by depositing said copy in the United States mail, postage prepaid, addressed as follows, this the 23rd day of April, 2010:

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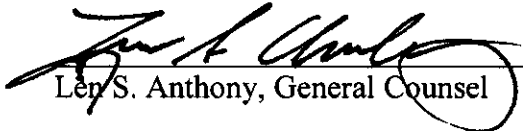
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