

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 931
DOCKET NO. E-2, SUB 1002

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider Pursuant to G.S. 62-133.9 and Commission Rule R8-69)
) ORDER ESTABLISHING
) PROCEDURAL SCHEDULE AND
) REQUESTING COMMENTS
)

BY THE CHAIRMAN: On June 15, 2009, in Docket No. E-2, Sub 931, the Commission issued an Order Approving Agreement and Stipulation of Partial Settlement, Subject to Certain Commission-Required Modifications, which included Commission approval of the Cost Recovery and Incentive Mechanism for DSM/EE Programs (Mechanism) proposed by Progress Energy Carolinas, Inc. (now Duke Energy Progress, Inc. or DEP) and agreed upon by the Public Staff – North Carolina Utilities Commission (Public Staff) and other parties.

On November 14, 2011, in Docket No. E-2, Sub 1002, in the matter of the application by DEP for approval of demand-side management (DSM) and energy efficiency (EE) cost recovery rider pursuant to G.S. 62-133.9 and Commission Rule R8-69, the Commission issued an Order Approving DSM/EE Rider and Requiring Filing of Proposed Customer Notice (Sub 1002 Order). In that Order, among other things, the Commission directed in Ordering Paragraph No. 9 that the Public Staff shall initiate a formal review of DEP's Mechanism not later than June 1, 2012, unless requested to do so earlier by DEP or another interested party. The Order stated that the Public Staff's review should "specifically address whether the incentives in the Commission-approved Mechanism are producing significant DSM and EE results; whether the customer rate impacts from the DSM/EE rider are reasonable and appropriate; whether overall portfolio performance targets should be adopted; and any other relevant issues that may be identified during the review process."

On April 10, 2012, the Public Staff filed a motion to extend the time to initiate the formal review to not later than June 1, 2014, unless requested to do so earlier by DEP or another interested party. On May 15, 2012, the Commission issued an Order granting the requested extension of time.

On June 10, 2014, DEP filed a petition requesting a review of the DEP Mechanism. In its petition, DEP submits that its Mechanism is working well, producing

meaningful DSM and EE results, and, consequently, needs only minor modifications. DEP states that on April 9, 2014, the Public Staff and DEP met to initiate the Mechanism review, and held a follow-up meeting on June 3, 2014. DEP states that the Public Staff and DEP agree that the Mechanism has generally worked well with respect to functionality and transparency, and that any differences of opinion between the Public Staff and DEP have been resolved without significant controversy. As a result, neither DEP nor the Public Staff intend to propose any major changes during the review. In addition, with regard to the specific items identified in the Sub 1002 Order, DEP contends that the Mechanism incentives are producing significant and meaningful DSM and EE results, that customer rate impacts from the DSM/EE rider are reasonable and appropriate, and that there is no indication that overall portfolio performance targets should be adopted. Therefore, DEP does not believe that any changes with regard to these items are necessary. However, DEP will address these items in more detail in its comments associated with the review.

In addition, DEP sets forth in its petition a list of several proposed modifications to the Mechanism, which it describes as minor modifications intended to streamline administration of the Mechanism and rider filings and to incorporate best practices that the Public Staff and DEP have identified and/or implemented since approval of the Mechanism. DEP notes that some of these include aspects of Duke Energy Carolinas, LLC's (DEC's) process that have been approved by the Commission.

Further, DEP sets forth in its petition a list of several potential modifications to the Mechanism that DEP is considering and would like to discuss with interested parties during the review. DEP also states that pursuant to the provisions of the Sub 1002 Order it is not proposing to review or modify DEP's portfolio of DSM and EE programs.

Finally, DEP provides a proposed procedural schedule for a meeting of interested parties, and the filing of comments and reply comments. DEP states that it believes the Commission could make its decision in this matter based on DEP's filings and the parties' comments, without the need for an evidentiary hearing.

After careful consideration, the Chairman is of the opinion that good cause exists to adopt a schedule for a meeting of DEP, the Public Staff and all interested parties to discuss DEP's proposed changes to its Mechanism and other changes that the parties suggest. In addition, the Chairman finds good cause to allow DEP, the Public Staff and all interested parties the opportunity to file comments and reply comments on DEP's proposed changes to its Mechanism and other changes that the parties suggest. Finally, the Chairman finds good cause to designate Docket No. E-2, Sub 931 as the docket in which all future filings related to this review of DEP's Mechanism shall be filed.

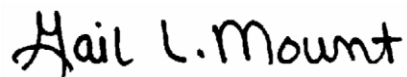
IT IS, THEREFORE, ORDERED as follows:

1. That all future filings related to this review of DEP's Mechanism shall be filed in Commission Docket No. E-2, Sub 931.
2. That on or before July 14, 2014, persons having an interest in the review of DEP's Mechanism may file petitions to intervene in Docket No. E-2, Sub 931.
3. That all persons that are presently parties to Docket Nos. E-2, Sub 931 or E-2, Sub 1002 shall be entitled to participate in Docket No. E-2, Sub 931 without the necessity of filing a petition to intervene.
4. That the Chief Clerk shall serve this Order Establishing Procedural Schedule and Requesting Comments on all parties to Docket Nos. E-2, Sub 931 and E-2, Sub 1002.
5. That on or before July 18, 2014, DEP and the Public Staff shall convene a meeting of all parties in Docket Nos. E-2, Sub 931 and E-2, Sub 1002 to discuss DEP's proposed changes to its Mechanism and other changes that the parties suggest.
6. That on or before August 4, 2014, all parties may file initial comments regarding DEP's proposed changes to its Mechanism and all other changes that the parties have suggested.
7. That on or before August 18, 2014, all parties may file reply comments.

ISSUED BY ORDER OF THE COMMISSION.

This the 12th day of June, 2014.

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, Chief Clerk