

OFFICIAL COPY

FILED

APR 10 2012

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

Clerk's Office
N.C. Utilities Commission

DOCKET NO. E-2, SUBS 931 AND 1002

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Carolina Power and 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)

MOTION FOR
EXTENSION OF TIME TO
INITIATE FORMAL
REVIEW

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Robert P. Gruber, and respectfully requests the Commission to enter an order extending the time for the Public Staff to initiate a review of the Commission-approved mechanism for recovery of costs associated with the adoption and implementation of new demand-side management and energy efficiency ("DSM/EE") programs by Progress Energy Carolinas, Inc. (PEC). In support of this motion, the Public Staff shows as follows:

1. On December 9, 2008, PEC, Wal-Mart Stores, East, LP and Sam's East, Inc. (Wal-Mart), and the Public Staff filed in Docket No. E-2, Subs 931 and 951, an Agreement and Stipulation of Partial Settlement (Stipulation) setting forth the terms and conditions for approval of demand-side management (DSM) and energy efficiency (EE) measures and the annual DSM/EE rider proceedings pursuant to G.S. 62-133.9 and Commission Rules R8-68 and R8-69 and proposing a Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs (Mechanism).

2. On June 15, 2009, the Commission issued its *Order Approving Agreement and Stipulation of Partial Settlement, Subject to Certain Commission-Required Modifications*, in Docket No. E-2, Sub 931, approving the Mechanism with modifications. The Mechanism was further modified by the Commission's November 25, 2009 Order Granting Motions for Reconsideration in Part, in Docket No. E-2, Subs 926 and 931.

3. Paragraph No. 2.D of the Stipulation and Paragraph No. 45 of the Mechanism state that the Mechanism will be revisited by the stipulating parties every three years.

(LS)
a.b.
W.Cam.
Watson
Shen
Duffy
Hess
Hessons
Hillman
Erisson
Jones
Rocher
Hite

4. In its *Order Approving DSM/EE Rider and Requiring Filing of Proposed Customer Notice*, issued on November 14, 2011, in Docket No. E-2, Sub 1002, the Commission found and concluded that the Public Staff should initiate a formal review of the Commission-approved Mechanism not later than June 1, 2012, unless requested to do so earlier by PEC or another interested party. The Commission stated that the 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.

5. The review of the Commission-approved cost recovery mechanisms for Duke Energy Carolinas, LLC (Duke), and Dominion North Carolina Power (DNCP) in Docket Nos. E-7, Sub 831, and E-22, Sub 473, respectively, are scheduled to occur in 2014.

6. The Public Staff believes that postponing the review of the Mechanism until 2014, when the Duke and DNCP cost recovery and incentive mechanisms are scheduled to be reviewed, will provide the Commission and the parties with a better context in which to focus on the issues identified by the Commission for the review process, as well as with more comprehensive data with which to address those issues. Furthermore, the Public Staff is not aware of any pressing need to review the Mechanism at this time and has no objection to PEC continuing to develop its portfolio of DSM/EE programs under the current terms for another two years. Should circumstances indicate that changes are needed, however, the Commission or any of the parties could initiate a review of the Mechanism during the interim.

7. The Public Staff is authorized to state that PEC, Wal-Mart, and the Southern Alliance for Clean Energy (SACE)¹ do not object to postponement of the review of the Mechanism.

THEREFORE, the Public Staff moves:

That the Commission postpone the review of the Mechanism and require that the Public Staff initiate a formal review of the Commission-approved Mechanism not later than June 1, 2014, unless requested to do so earlier by PEC or another interested party.


¹ Wal-Mart was a party to the Stipulation in Docket No. E-2, Sub 931, but did not intervene in Docket No. E-2, Sub 1002. SACE was not a party to the Stipulation in Docket No. E-2, Sub 931, but was an intervenor in Docket No. E-2, Sub 1002.

Respectfully submitted this the 10th day of April, 2012.

PUBLIC STAFF
Robert P. Gruber
Executive Director

Antoinette R. Wike
Chief Counsel

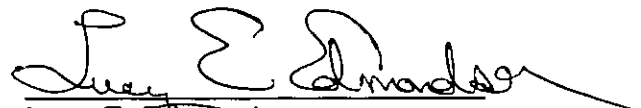
4326 Mail Service Center
Raleigh, North Carolina 27699-4326
Telephone: (919) 733-6110
Email: lucy.edmondson@psncuc.nc.gov


Lucy E. Edmondson
Staff Attorney

CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing MOTION on all parties of record in accordance with Commission Rule R1-39, by United States mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement with the receiving party.

This the 10th day of April, 2012.


Lucy E. Edmondson