

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 856

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Carolinas, LLC,) ORDER SCHEDULING HEARING,
For Approval of a Solar Photovoltaic) ESTABLISHING PROCEDURAL
Distributed Generation Program and for) DEADLINES, AND REQUIRING
Approval of the Proposed Method of) PUBLIC NOTICE
Recovery of Associated Costs)

BY THE COMMISSION: On June 6, 2008, Duke Energy Carolinas, LLC (Duke) filed an application for approval of a solar photovoltaic distributed generation program and for approval of its proposed method of cost recovery.

According to the application, Duke intends to invest, over a two-year period, approximately \$100 million to install new solar photovoltaic (PV) electricity generation facilities with a total generating capacity of approximately 20 megawatts (MW). The proposed facilities would be dispersed throughout Duke's North Carolina service territory and installed either on the rooftops of businesses and homes of Duke's customers or as ground-mounted facilities located on property owned by Duke or its customers.

Duke requested that the Commission issue an order (1) approving the program by granting a blanket certificate of public convenience and necessity and approving the proposed tariff to implement the program; (2) affirming that Duke may recover the costs associated with the proposed program through the proposed Renewable Energy and Energy Efficiency Portfolio Standard (REPS) cost recovery mechanism provided for in G.S. 62-133.8(h) and Commission Rule R8-67(e); and (3) finding that the implementation of the program is prudent and consistent with the promotion of adequate and reliable utility service to the citizens of North Carolina and the policies expressed in G.S. 62-2.

The application did not include pre-filed testimony, but rather requested a waiver from certain requirements of Commission Rule R8-61(b). Duke requested that testimony, if required, be due six weeks from the filing of the application. In addition, Duke requested that the Commission take judicial notice of its most recent annual report, which was filed in Docket No. E-100, Sub 114, and waive the remaining requirements of Rule R8-61 given the size of the individual facilities at issue, the potential number of facilities to be installed, and the carve out for solar facilities in the REPS requirements.

On June 23, 2008, Attorney General Roy Cooper filed a notice of intervention in this docket.

The Public Staff presented this matter at the Commission Staff Conference on July 7, 2008, recommending that the Commission schedule an evidentiary hearing, require pre-filed testimony, establish procedural deadlines, and require publication of notice. The Public Staff further stated that, for purposes of the procedural deadlines in G.S. 62-82, the application should be considered to be complete and filed on July 25, 2008, which is the due date for Duke's pre-filed testimony, and that it did not oppose the Commission taking judicial notice of Duke's most recent annual report, which was filed in Docket No. E-100, Sub 114. The Public Staff also stated that items (2), (5), (6), (10), and (11) of Commission Rule R8-61(b) should not be waived to the extent that they are applicable, but the Public Staff does not oppose Duke's request that the remaining requirements of Rule R8-61(b) be waived.

Based upon the application and the recommendations of the Public Staff, the Commission concludes that the application should be set for hearing and Duke should be required to (1) pre-file testimony on July 25, 2008, in support of all aspects of its application; (2) publish a notice of the application in the manner required by G.S. 62-82(a); and (3) file an affidavit of publication with the Commission. For purposes of the procedural deadlines in G.S. 62-82, Duke's application shall be considered to be complete upon its filing of pre-filed testimony on July 25, 2008.

IT IS, THEREFORE, ORDERED as follows:

1. That Duke shall file testimony in support of all aspects of its application by Friday, July 25, 2008.

2. That an evidentiary hearing on the application is scheduled to begin on Thursday, October 23, 2008, at 9:00 a.m., in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the taking of any public witness testimony and the testimony of Duke, the Public Staff, and other intervenors. The hearing shall continue as necessary until the conclusion of the case.

3. That petitions to intervene shall be filed on or before Wednesday, September 24, 2008, and intervenor testimony and exhibits shall be filed on or before Wednesday, October 1, 2008.

4. That Duke shall file rebuttal testimony, if any, on or before Friday, October 10, 2008.

5. That Duke shall publish the notice attached hereto as Appendix A once a week for four successive weeks during the months of August 2008, in daily newspapers of general circulation throughout its entire North Carolina service area and shall file affidavits of publication with the Commission no later than Wednesday, October 1, 2008.

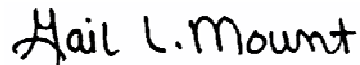
6. That the Chief Clerk of the Commission is directed to deliver two copies of the application and the notice to the Clearinghouse Coordinator of the Office of Policy and Planning of the Department of Administration for review by State agencies having an interest in this application.

7. That Duke shall file items (2), (5), (6), (10), and (11) required by Commission Rule R8-61(b) on or before Friday, July 25, 2008. Duke's request for waiver of the remaining filing requirements of Rule R8-61(b) is otherwise granted.

ISSUED BY ORDER OF THE COMMISSION.

This the 8th day of July, 2008.

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

Kc070708.22

Commissioners Robert V. Owens, Jr., Sam J. Ervin, IV, and James Y. Kerr, II did not participate.

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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Carolinas, LLC,)	
For Approval of a Solar Photovoltaic)	
Distributed Generation Program and for)	NOTICE OF PUBLIC HEARING
Approval of the Proposed Method of)	
Recovery of Associated Costs)	

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Sections 62-82 and 62-110.1 of the General Statutes of North Carolina and North Carolina Utilities Commission Rule R8-61, Duke Energy Carolinas, LLC (Duke) on June 6, 2008, filed an application for a blanket certificate of public convenience and necessity to construct new distributed solar photovoltaic generation facilities up to a total capacity of 20 megawatts (MW). The proposed facilities would be dispersed throughout Duke's North Carolina service territory and installed either on the rooftops of businesses and homes of its customers or as ground-mounted facilities located on property owned by Duke or its customers.

The North Carolina Utilities Commission has concluded that this application should be scheduled for an evidentiary hearing beginning at 9:00 a.m., on Thursday, October 23, 2008, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina. Testimony of public witnesses, if any, will be taken at the beginning of the hearing. Duke is required to pre-file testimony in support of all aspects of its application by Friday, July 25, 2008. Petitions to intervene are required to be filed with the Commission on or before Wednesday, September 24, 2008, and the expert testimony and exhibits to be presented by intervenors are required to be filed on or before Wednesday, October 1, 2008.

Details of the application may be obtained from the Office of the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325, where a copy of the application is available for review by the public and on the Commission's web site at www.ncuc.net.

Any person desiring to be heard with respect to the application may file a statement with the Commission and should include in such statement any information which he or she wishes to be considered by the Commission in connection with the application. Such a statement will be included in the Commission's official files;

however, the Commission will determine whether the application should be granted on the basis of testimony presented at the hearing. Such statements should be addressed to:

Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

The Public Staff of the Utilities Commission, through its Executive Director, is required by statute to represent the using and consuming public in proceedings before the Commission. Statements to the Executive Director should be addressed to:

Robert P. Gruber, Executive Director
Public Staff – North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4326

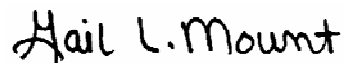
The Attorney General is also authorized by statute to represent the using and consuming public in proceedings before the Commission. Statements to the Attorney General should be addressed to:

The Honorable Roy Cooper
Attorney General of North Carolina
Post Office Box 629
Raleigh, North Carolina 27602

ISSUED BY ORDER OF THE COMMISSION.

This the 8th day of July, 2008.

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

NOTE TO PRINTER: Advertising cost shall be paid by the Applicant. It is required that the Affidavit of Publication be filed with the Commission by the Applicant.