



May 2, 2011

Jocelyn Boyd, Esq.  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

RE: SCPSC Docket No. 2011-\_\_-E

Dear Mrs. Boyd:

In accordance with the Stipulation and Procedure and Mechanism for Recovery of Costs and Incentives for Demand-Side Management and Energy Efficiency ("DSM and EE") Programs approved by the Commission's June 26, 2009 Order No. 2009-373 in Docket No. 2008-251-E, Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. ("PEC") hereby submits for filing its DSM/EE Filing Requirements and the Testimony and Exhibits of Robert P. Evans.

PEC seeks Commission approval of its Demand-Side Management and Energy Efficiency Rider DSM/EE-1, to become effective July 1, 2011.

Sincerely,

A handwritten signature in black ink, appearing to read 'Len S. Anthony', written in a cursive style.

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

LSA:mhm

STAREG1507

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

)  
)  
)


DOCKET NO. 2011-\_\_\_\_-E  
VERIFICATION

PERSONALLY APPEARED before me, Robert P. Evans, who, after first being duly sworn, said that:

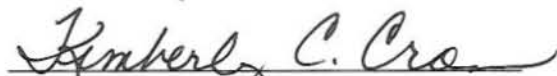
I am a Lead DSM Regulatory Specialist in Progress Energy Carolinas, Inc.'s Efficiency and Innovative Technologies Department;

I am authorized to make this verification;

On May 2, 2011, I caused to be pre-filed seventeen (17) pages of direct testimony supporting and explaining PEC's DSM/EE Cost Recovery Rider Application filed that same date. This testimony and application were prepared by me or under my direct supervision and control and are true and accurate.

  
\_\_\_\_\_  
Robert P. Evans

Sworn to and subscribed before me,  
this the 29<sup>th</sup> day of April, 2011.

  
\_\_\_\_\_  
Kimberley C. Cross

My Commission Expires:

Oct 25, 2012

**Progress Energy Carolinas, Inc.**

# **Demand Side Management and Energy Efficiency Programs**

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## **Filing Requirements**

**Pursuant to Procedure and Mechanism for Recovery of Costs and  
Incentives for Demand-Side Management and Energy Efficiency  
Programs Approved in Docket No. 2008-251-E**

**Docket No. 2011-\_\_\_\_ -E**

**May 2, 2011**

Recovery request for actual DSM/EE costs incurred from April 1, 2010 through March 31, 2011 and for forecasted costs covering both the period July 1, 2011 through June 30, 2012. This request will result in the modification of rates associated with the Company's DSM/EE rider.

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**Provision (f)(2) - List of customers opting out of participation**

(f) Special Provisions for Industrial or Large Commercial Customers.

- (2) At the time the electric public utility petitions for the annual rider, it shall provide the Commission with a list of those industrial or large commercial customers that have opted out of participation in the new demand-side management or energy efficiency measures.
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Please refer to Appendix A which provides a listing of industrial and large commercial customers, as of March 31, 2011, that have opted out of participation in PEC's new demand-side management or energy efficiency measures.

**Provision (h)(1)(i) - Projected SC retail sales for the rate period**

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:  
(i) Projected South Carolina retail monthly kWh sales for the rate period.

The Company's projected South Carolina retail monthly kWh sales for the rate period, July 1, 2011 through June 30, 2012, are provided in the following table:

**Projected South Carolina Retail Monthly kWh Sales**

Month	Estimated kWh
Jul-11	609,966,734
Aug-11	644,468,558
Sep-11	586,812,468
Oct-11	516,461,352
Nov-11	471,216,388
Dec-11	526,345,670
Jan-12	597,602,766
Feb-12	532,500,632
Mar-12	506,981,512
Apr-12	491,816,810
May-12	499,506,747
Jun-12	566,610,481
<b>Total</b>	<b>6,550,290,118</b>

**Provision (h)(1)(ii)a - Total expenses expected to be incurred during the rate period**

(h) Filing Requirements and Procedure.

(1) PEC shall submit to ORS and the Commission all of the following information in its application:

(ii) For each DSM/EE program for which cost recovery is requested:

- a. total expenses expected to be incurred during the rate period in the aggregate and broken down by type of expenditure, per appropriate capacity, energy and measure unit metric and the proposed jurisdictional allocation factors;

For purposes of cost recovery through the DSM/EE rider, the Company's expected expenses for the rate period, July 1, 2011 through June 30, 2012, have been broken down by type of expenditure and provided in the following table:

Program / Measure	Recoverable Expenditures (System Retail)					Total Costs and Incentives
	O&M	Depreciation	Capital Costs	Income and General Taxes	PPI and Net Lost Revenue	
<b>Demand-Side Management Programs</b>						
CIG DR	2,664,124				202,258	2,866,382
EnergyWise™	12,068,046				1,071,039	13,139,085
DSDR Implementation	9,470,693	6,634,479	9,423,347	5,389,546	-	30,918,065
<b>Energy Efficiency Programs</b>						
Res Home Advantage	1,643,620				502,017	2,145,637
Res Home Energy Improve.	7,621,583				1,102,311	8,723,894
Residential Low Income-NES	1,965,343				551,991	2,517,334
Residential Lighting	6,006,892				10,189,068	16,195,960
Res Appliance Recycling	1,910,544				699,249	2,609,793
Residential EE Benchmark	935,091				864,625	1,799,716
Solar Hot Water Heating Pilot	9,746				-	9,746
CIG Energy Efficiency	8,046,311				6,728,339	14,774,650
CFL Pilot	-				74,224	74,224
Program Subtotals	52,341,993	6,634,479	9,423,347	5,389,546	21,985,122	95,774,487
Administrative and General						2,694,172
Carrying Costs						7,928,641
<b>Expenditure Totals</b>						<b>106,397,300</b>

**Provision (h)(1)(ii)a - Continued**

The following table provides the program costs, excluding Program Performance Incentives and the recovery of net lost revenues, per appropriate capacity, energy and measure unit metric, over the various program lives. It is important to note that unitized costs will vary from year to year and should be viewed over program lives. Program cost estimates over the life of the program were supplied with the Company's original program applications.

Program / Measure	System Costs	DSM Costs / (MW x Years) <sup>1</sup>	EE Costs / (MWH x Years) <sup>2</sup>
<b>Demand-Side Management Programs (Calculated on EOY 2011 MW Capabilities - at the meter)</b>			
CIG DR	\$ 2,664,124	\$3,747	NA
EnergyWise™	12,068,046	\$4,072	NA
DSDR Implementation	30,918,065	\$9,543	NA
<b>Energy Efficiency Programs (Calculated Using Incremental 2011 MWH Savings - at the meter)</b>			
Res Home Advantage	1,643,620	NA	\$25
Res Home Energy Improvement	7,621,583	NA	\$78
Residential Low Income-NES	1,965,343	NA	\$46
Residential Lighting	6,006,892	NA	\$12
Res Appliance Recycling	1,910,544	NA	\$30
Residential EE Benchmark	935,091	NA	\$65
Solar Hot Water Heating Pilot <sup>3</sup>	9,746	NA	NA
CIG Energy Efficiency	8,046,311	NA	\$10
CFL Pilot	NA	NA	NA

<sup>1</sup> DSM programs statistics, by their nature, do not reflect energy related savings.

<sup>2</sup> EE program statistics, by their nature, do not reflect capacity related savings.

<sup>3</sup> Solar Water Heating Program statistics will be determined through 2011 M&V evaluation.



**Provision (h)(1)(ii)a - Continued**

For purposes of cost recovery through the South Carolina DSM/EE rider, the Company's expected expenses for the rate period, July 1, 2011 through June 30, 2012, have been broken down for South Carolina jurisdictional retail customers by type of expenditure and provided in the following table:

Program / Measure	Recoverable Expenditures (South Carolina)					Total Costs and Incentives
	O&M	Depreciation	Capital Costs	Income and General Taxes	PPI and Net Lost Revenue	
<b>Demand-Side Management Programs</b>						
CIG DR	359,923				27,992	387,915
EnergyWise™	1,630,393				148,232	1,778,625
DSDR Implementation	1,291,893	905,006	1,285,434	886,874	-	4,369,207
<b>Energy Efficiency Programs</b>						
Res Home Advantage	237,832				70,835	308,667
Res Home Energy Improve.	1,102,843				155,536	1,258,379
Residential Low Income-NES	284,385				77,886	362,271
Residential Lighting	869,197				1,437,677	2,306,874
Res Appliance Recycling	276,456				98,664	375,120
Residential EE Benchmark	135,308				121,999	257,307
Solar Hot Water Heating Pilot	1,410				-	1,410
CIG Energy Efficiency	1,164,301				949,369	2,113,670
CFL Pilot	-				10,473	10,473
Program Subtotals	7,353,941	905,006	1,285,434	886,874	3,098,663	13,529,918
Administrative and General						380,719
Carrying Costs with Income Taxes						1,210,732
<b>Expenditure Totals</b>						<b>15,121,369</b>

The Company's proposed jurisdictional allocation factors for the rate period, July 1, 2011 through June 30, 2012, are provided in attached Appendix B.

**Provision (h)(1)(ii)b - Expected cost associated with measures**

(h) Filing Requirements and Procedure.

(1) PEC shall submit to ORS and the Commission all of the following information in its application:

(ii) For each DSM/EE program for which cost recovery is requested:

- b. total costs that PEC expects to incur during the rate period as a direct result of the measure in the aggregate and broken down by type of cost, per appropriate capacity, energy and measure unit metric, and the proposed jurisdictional allocation factors as well as any changes in the estimated future amounts since last filed with the Commission;

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The total costs that PEC expects to incur during the rate period as a direct result of the measure in the aggregate and broken down by type of cost, per appropriate capacity, energy and measure unit metric, are provided in Provision (h)(1)(ii)a. The Company's proposed jurisdictional allocation factors for the rate period, July 1, 2011 through June 30, 2012, are provided in attached Appendix B. In terms of variations in estimated future amounts since its last reporting, PEC is currently unaware of any material differences associated with its offerings.

## **Provision (h)(1)(ii)c - Measurement and verification activities for rate period**

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
    - (ii) For each DSM/EE program for which cost recovery is requested:
      - c. a description of the measurement and verification activities to be conducted during the rate period, including their estimated costs;
- 

### **Demand Side Management Portfolio**

#### ***DSDR***

Measurement and verification for the Smart Grid – DSDR Program will be determined by utilizing recorded data obtained from PEC’s System Energy Control and Distribution Control Centers. This data analysis will not be performed by a third party; therefore there will be no incremental costs associated with third-parties expended to perform anticipated measurement and verification activities during the forecast period.

#### ***EnergyWise™***

PEC has contracted with independent, third-party consultant, Navigant, to provide the appropriate M&V support, including the development and implementation of an evaluation plan designed to measure the demand and energy impacts of the EnergyWise™ program.

Navigant is continuing a multi-year program evaluation plan for PEC’s EnergyWise™ program that was begun by another third party consultant, KEMA, including all relevant impact and process evaluation services required to support continued program planning and implementation.

Base services to be performed through June 2012 include:

- Collection of program data
- Process evaluation interviews
- Verification of measures and persistence through on-site visits
- Collection of interval data
- Program database review
- Benchmarking research
- Data analysis
- Reporting

The total budget for EnergyWise™ M&V activities for the rate period is \$328,998.

## **Provision (h)(1)(ii)c - Continued**

### ***CIG Demand Response Program***

PEC has contracted with independent, third-party consultant, Navigant Consulting, to provide appropriate M&V support, including the development and implementation of an evaluation plan designed to measure the demand and energy impacts of the CIG Demand Response program.

Navigant is performing annual program evaluations for Progress Energy Carolinas' CIG Demand Response program, including all relevant impact and process evaluation services required to support program planning and implementation.

Base M&V services to be performed through June 2012 include:

- Process evaluation interviews
- Verification of measures and persistence through on-site visits
- Collection of interval data
- Market research for DR benchmarking study
- Program database review
- Data analysis
- Reporting

The total budget for CIG Demand Response M&V activities for the rate period is \$120,835.

### **Energy Efficiency Portfolio**

PEC has contracted with independent, third-party consultant, Navigant Consulting, to provide appropriate M&V support, including the development and implementation of an evaluation plan designed to measure the demand and energy impacts of the energy efficiency portfolio.

Navigant is performing annual program evaluations for Progress Energy Carolinas' energy efficiency portfolio, including all relevant impact and process evaluation services required to support program planning and implementation.

Neighborhood Energy Saver Program, Residential Lighting Program, Appliance Recycling Program, Home Advantage Program, Home Energy Improvement Program, Residential Energy Efficient Benchmarking Program, and Energy Efficiency for Business Program (CIG EE) are the programs that make up the energy efficiency portfolio.

## Provision (h)(1)(ii)c - Continued

Base M&V services to be performed through June 2012 for all energy efficiency portfolio programs include:

- Development of evaluation action plan
- Process evaluation interviews
- Collection of program data
- Verification of measures and persistence through on-site visits
- Program database review
- Data analysis
- Reporting

Rate period budget for EE portfolio M&V activities is summarized in the following table

<b>Program</b>	<b>Rate Period Budget</b>
Neighborhood Energy Saver	\$ 115,248
Residential Lighting	209,919
Appliance Recycling	96,753
Home Advantage	136,750
Home Energy Improvement	124,421
Energy Efficiency for Business	443,750

## Provision (h)(1)(ii)d - Expected summer and winter peak demand reductions

(h) Filing Requirements and Procedure.

(1) PEC shall submit to ORS and the Commission all of the following information in its application:

(ii) For each DSM/EE program for which cost recovery is requested:

d. total expected summer and winter peak demand reduction per appropriate capacity, energy, and measure unit metric and in the aggregate;

The following tables provide estimated summer and winter cumulative peak demand reductions, at the meter, for the measures in which the Company is seeking cost recovery<sup>1</sup>. The reductions are provided by measure and in aggregate.

Expected Summer Peak Demand Reduction (MW)

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2011	23.7	93.5	108.0	2.2	12.6	1.4	14.3	1.7	2.6	20.2	0.6	280.8
2012	37.7	133.5	241.0	4.2	18.4	2.0	20.6	3.5	2.6	31.2	0.6	495.3
2013	51.8	170.6	248.8	7.1	24.8	2.7	25.7	5.5	2.1	43.4	0.6	583.1
2014	65.8	207.7	257.4	10.6	31.8	3.3	29.8	7.9	2.6	56.3	0.6	673.8

Expected Winter Peak Demand Reduction (MW)<sup>2</sup>

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2011	-	5.3	-	-	-	-	-	-	-	-	0.7	6.0
2012	-	7.4	-	-	-	-	-	-	-	-	0.7	8.1
2013	-	9.5	-	-	-	-	-	-	-	-	0.7	10.2
2014	-	11.7	-	-	-	-	-	-	-	-	0.7	12.4

<sup>1</sup> Values associated with PEC's Residential Solar Hot Water Heating Program will be supplied upon completion of measurement and verification process.

<sup>2</sup> With the exception of PEC's EnergyWise™ program, PEC's DSM/EE measures are focused on its summer peak. The winter peak reductions associated with PEC's measures, including those from the EnergyWise™ program, will be determined through the measurement and verification (M&V) process. The Company's CFL Pilot benefits are based on M&V results.

**Provision (h)(1)(ii)e - Expected energy reductions**

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
- (ii) For each DSM/EE program for which cost recovery is requested:
- e. total expected energy reduction in the aggregate and per appropriate capacity, energy and measure unit metric

The following table provides estimated cumulative energy reductions, at the meter, for the measures in which the Company is seeking cost recovery<sup>1</sup>. The reductions are provided both by measure and in aggregate.

**Expected Energy Reductions (MWH)**

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2011	317	333	30,275	6,242	13,11	9,119	150,739	10,334	14,400	89,806	6,706	331,782
2012	570	626	54,931	11,426	20,520	13,295	217,774	18,210	14,400	134,983	6,706	493,441
2013	823	834	56,082	19,174	28,229	17,471	271,402	27,582	11,520	185,200	6,706	625,023
2014	1,076	1236	57,194	28,303	36,710	21,647	314,304	38,528	14,400	238,200	6,706	758,304

<sup>1</sup> Values associated with PEC's Residential Solar Hot Water Heating Program will be supplied upon completion of measurement and verification process.

**Provision (h)(1)(ii)f - Actual test period costs**

(h) Filing Requirements and Procedure.

(1) PEC shall submit to ORS and the Commission all of the following information in its application:

(ii) For each DSM/EE program for which cost recovery is requested:

f. total expenses for the test period in the aggregate and broken down by type of expenditure per appropriate capacity, energy and measure unit metric and the proposed jurisdictional allocation factors

For purposes of cost recovery through the DSM/EE rider, the Company's actual expenditures for the test period, April 1, 2010 through March 31, 2011, have been broken down by type of expenditure and are provided in the following table:

Program / Measure	Recoverable Expenditures (System Retail)					Total Costs and Incentives
	O&M <sup>1</sup>	Depreciation	Capital Costs	Income and General Taxes	PPI and Net Lost Revenue	
<b>Demand-Side Management Programs</b>						
CIG DR	1,121,491				73,255	1,194,746
EnergyWise™	9,823,194				644,651	10,467,845
DSDR Implementation <sup>2</sup>	5,604,286	3,640,784	5,606,514	2,451,957	-	17,303,541
<b>Energy Efficiency Programs</b>						
Res Home Advantage	1,264,293				191,573	1,455,866
Res Home Energy Improve.	8,366,821				427,878	8,794,699
Residential Low Income-NES <sup>3</sup>	1,995,828				223,989	2,219,817
Residential Lighting <sup>4</sup>	6,658,289				4,074,060	10,732,349
Res Appliance Recycling	1,386,515				177,815	1,564,330
Residential EE Benchmark <sup>5</sup>	151,263				-	151,263
Solar Hot Water Heating Pilot <sup>6</sup>	198,756				-	198,756
CIG Energy Efficiency	7,348,393				3,023,737	10,372,130
CFL Pilot	-				238,082	238,082
Program Subtotals	43,919,129	3,640,784	5,606,514	2,451,957	9,075,038	64,693,422
Administrative and General						2,473,486
Carrying Costs with Income Taxes						3,951,986
<b>Expenditure Totals</b>						<b>71,118,894</b>

<sup>1</sup> The listed O&M expenses will be recovered through the DSM/EE Rider over a ten-year period except where otherwise indicated.

<sup>2</sup> The DSDR program does not include Program Performance Incentives (PPI). While amounts for net lost revenues are applicable, PPI amounts are not.

<sup>3</sup> The Residential Low Income Program does not include amounts for PPI. While amounts for net lost revenues are applicable, PPI amounts are not being requested by the Company.

<sup>4</sup> O&M expenses for the Residential Lighting Program will be recovered through the DSM/EE Rider over a five-year period.

<sup>5</sup> O&M expenses for the Residential EE Benchmark Program are not subject to deferral.

<sup>6</sup> PPI and net lost revenue recoveries were not requested by the Company for its Residential Solar Hot Water Heating Pilot Program.



**Provision (h)(1)(ii)f – Continued**

For purposes of cost recovery through the South Carolina DSM/EE rider, the Company's actual expenses for the test period, April 1, 2010 through March 31, 2011, have been broken down for South Carolina jurisdictional retail customers by type of expenditure and are provided in the following table:

Program / Measure	Recoverable Expenditures (South Carolina Retail)					Total Costs and Incentives
	O&M <sup>1</sup>	Depreciation	Capital Costs	Income and General Taxes	PPI and Net Lost Revenue	
<b>Demand-Side Management Programs</b>						
GIG DR	158,098				9,897	167,995
EnergyWise™	1,384,322				87,092	1,471,414
DSDR Implementation <sup>2</sup>	793,881	515,874	794,279	397,116	-	2,501,150
<b>Energy Efficiency Programs</b>						
Res Home Advantage	184,768				27,721	212,489
Res Home Energy Improve.	1,222,405				61,914	1,284,319
Residential Low Income-NES <sup>3</sup>	294,637				32,411	327,048
Residential Lighting <sup>4</sup>	970,544				589,516	1,560,060
Res Appliance Recycling	202,421				25,730	228,151
Residential EE Benchmark <sup>5</sup>	22,114				-	22,114
Solar Hot Water Heating Pilot <sup>6</sup>	29,055				-	29,055
GIG Energy Efficiency	1,074,827				437,535	1,512,362
CFL Pilot	-				34,450	34,450
<b>Program Subtotals</b>	<b>6,337,072</b>	<b>515,874</b>	<b>794,279</b>	<b>397,116</b>	<b>1,306,266</b>	<b>9,350,607</b>
Administrative and General						357,060
Carrying Costs with Income Taxes						617,739
<b>Expenditure Totals</b>						<b>10,325,406</b>

<sup>1</sup> The listed O&M expenses will be recovered through the DSM/EE Rider over a ten-year period except where otherwise indicated.

<sup>2</sup> The DSDR program does not include Program Performance Incentives (PPI). While amounts for net lost revenues are applicable, PPI amounts are not.

<sup>3</sup> The Residential Low Income Program does not include amounts for PPI. While amounts for net lost revenues are applicable, PPI amounts are not being requested by the Company.

<sup>4</sup> O&M expenses for the Residential Lighting Program will be recovered through the DSM/EE Rider over a five-year period

<sup>5</sup> O&M expenses for the Residential EE Benchmark Program are not subject to deferral.

<sup>6</sup> PPI and net lost revenue recoveries were not requested by the Company for its Residential Solar Hot Water Heating Pilot Program.

**Provision (h)(1)(ii)f – Continued**

The following table provides the program costs, excluding Program Performance Incentives and the recovery of net lost revenues, per appropriate capacity, energy and measure unit metric, over the various program lives. It is important to note that unitized costs will vary from year to year and should be viewed over program lives. Program cost estimates over the life of the program were supplied with the Company's original program applications.

Program / Measure	System Costs	DSM Costs / (MW x Years) <sup>1</sup>	EE Costs / (MWH x Years) <sup>2</sup>
<b>Demand-Side Management Programs (Calculated on EOY 2010 MW Capabilities - at the meter)</b>			
CIG DR	\$ 1,121,491	\$ 4,793	NA
EnergyWise™	9,823,194	5,806	NA
DSDR Implementation	17,303,541	6,071	NA
<b>Energy Efficiency Programs (Calculated Using Incremental Calendar 2010 MWH Savings - at the meter)</b>			
Res Home Advantage	\$ 1,264,293	NA	\$31
Res Home Energy Improvement	8,366,821	NA	\$92
Residential Low Income-NES	1,995,828	NA	\$47
Residential Lighting	6,658,289	NA	\$12
Res Appliance Recycling	1,386,515	NA	\$34
Residential EE Benchmark <sup>3</sup>	151,263	NA	NA
Solar Hot Water Heating Pilot <sup>4</sup>	198,756	NA	NA
CIG Energy Efficiency	7,348,393	NA	\$6
CFL Pilot	NA	NA	NA

The Company's proposed jurisdictional allocation factors for the test period, April 1, 2010 through March 31, 2011, are provided in attached Appendix B.

<sup>1</sup> DSM programs statistics, by their nature, do not reflect energy related savings.

<sup>2</sup> EE program statistics, by their nature, do not reflect capacity related savings.

<sup>3</sup> Amounts reflect developmental expenditures – rollout to commence during rate period.

<sup>4</sup> Solar Water Heating Program statistics will be determined through subsequent M&V evaluation.

## **Provision (h)(1)(ii)g - Test period Costs associated with measures**

(h) Filing Requirements and Procedure.

(1) PEC shall submit to ORS and the Commission all of the following information in its application:

(ii) For each DSM/EE program for which cost recovery is requested:

g. total costs that PEC incurred for the test period as a direct result of the measure in the aggregate and broken down by type of cost per appropriate capacity, energy and measure unit metric, and the proposed jurisdictional allocation factors, as well as any changes in the estimated future amounts since last filed with the Commission;

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The total costs that PEC incurred for the test period as a direct result of the measure in the aggregate and broken down by type of cost per appropriate capacity, energy and measure unit metric are provided in the table on the preceding page. A further breakdown of unit metrics associated with test period activity is provided on attached Appendix C. PEC's proposed jurisdictional allocation factors have been provided on attached Appendix B. In terms of variations in estimated future amounts, PEC is currently unaware of any material differences associated with its offerings.

## **Provision (h)(1)(ii)h - Measurement and verification activities for test period**

(h) Filing Requirements and Procedure.

(1) PEC shall submit to ORS and the Commission all of the following information in its application:

(ii) For each DSM/EE program for which cost recovery is requested:

h. a description of, the results of, and the costs of all measurement and verification activities conducted in the test period;

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### **Demand Side Management Portfolio**

#### ***DSDR***

Measurement and verification for the Smart Grid – DSDR Program will be determined by utilizing recorded data obtained from PEC’s System Energy Control and Distribution Control Centers. This data analysis will not be performed by a third party; therefore there will be no third-party incremental costs expended to perform anticipated measurement and verification activities during the forecast period.

#### ***EnergyWise™***

PEC contracted with independent, third-party consultant, KEMA, to provide the appropriate M&V support, including the development and implementation of an evaluation plan designed to measure the demand and energy impacts of the EnergyWise™ program.

KEMA conducted the initial phase of a multi-year program evaluation plan for Progress Energy Carolinas’ EnergyWise™ program, including all relevant impact and process evaluation services required to support continued program planning and implementation.

Preliminary M&V results for the 2009 Summer and 2009/2010 Winter are contained in the M&V report, dated December 28, 2010 and filed with the Commission on December 30, 2010.

Base M&V services performed through March 2011 include:

- Process evaluation surveys and interviews
- End-use interval amperage metering
- Communications equipment inspections
- Confirmation of signal receipt
- Estimation of a normal-use load model
- Estimation of over-ride rates
- Estimation of control success rate
- Actual and projected program impacts

Total cost of EnergyWise™ M&V activities for the test period through March 2011 was \$285,128.

## **Provision (h)(1)(ii)h – Continued**

### ***CIG Demand Response Program***

PEC has contracted with independent, third-party consultant, Navigant Consulting, to provide the appropriate M&V support, including the development and implementation of an evaluation plan designed to measure the demand and energy impacts of the CIG Demand Response program.

Navigant is currently performing a complete program evaluation for PEC's CIG Demand Response program, including all relevant impact and process evaluation services required to support program planning and implementation.

Base M&V services performed through March 2011 include:

- Development of evaluation action plan
- Collection of interval data
- Process evaluation interviews
- Market research for DR benchmarking study

Total cost of CIG Demand Response M&V activities for the test period through March 2011 was \$38,032.

### **Energy Efficiency Portfolio**

PEC has contracted with independent, third-party consultant, Navigant Consulting, to provide appropriate M&V support, including the development and implementation of an evaluation plan designed to measure the demand and energy impacts of the energy efficiency portfolio.

Navigant is performing annual program evaluations for Progress Energy Carolinas' energy efficiency portfolio, including all relevant impact and process evaluation services required to support program planning and implementation.

### ***Neighborhood Energy Saver Program***

Base M&V services performed through March 2011 include:

- Development of evaluation action plan
- Collection of program data
- Process evaluation interviews
- Secondary research of ongoing reviewing results of recent existing homes programs

Total cost of Neighborhood Energy Saver M&V activities for the test period through March 2011 was \$38,990.

## **Provision (h)(1)(ii)h – Continued**

### ***Residential Lighting Program***

Base M&V services performed through March 2011 include:

- Development of evaluation action plan
- Process evaluation interviews
- Collection of program data

Total cost of Residential Lighting Program M&V activities for the test period through March 2011 was \$50,003.

### ***Appliance Recycling Program***

Base M&V services performed through March 2011 include:

- Development of evaluation action plan
- Process evaluation interviews
- Collection of program data
- Perform evaluation requests of NCUC

Total cost of Appliance Recycling Program M&V activities for the test period through March 2011 was \$15,218.

### ***Home Advantage Program***

Base M&V services performed through March 2011 include:

- Development of evaluation action plan
- Process evaluation interviews
- Collection of program data
- Program database review
- Data analysis

Total cost of Home Advantage M&V activities for the test period through March 2011 was \$62,020.

## **Provision (h)(1)(ii)h – Continued**

### ***Home Energy Improvement Program***

Base M&V services performed through March 2011 include:

- Development of evaluation action plan
- Process evaluation interviews
- Collection of program data
- Verification of measures and persistence through on-site visits
- Program database review
- Data analysis
- Reporting

M&V results for the year 2009 are contained in the Home Energy Improvement EM&V report dated April 11, 2011 and filed with Commission on April 25, 2011.

Total cost of Home Energy Improvement M&V activities for the test period through March 2011 was \$217,577.

### ***Energy Efficiency for Business Program (CIG EE)***

Base M&V services performed through March 2011 include:

- Development of evaluation action plan
- Process evaluation interviews
- Collection of program data
- Verification of measures and persistence through on-site visits
- Program database review
- Data analysis
- Reporting

Total cost of Energy Efficiency for Business Program M&V activities for the test period through March 2011 was \$323,353.

**Provision (h)(1)(ii)i - Test period summer and winter peak demand reductions**

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
    - (ii) For each DSM/EE program for which cost recovery is requested:
      - i. total summer and winter peak demand reduction per appropriate capacity, energy, and measure unit metric and in the aggregate, as well as any changes in estimated future amounts;
- 

The information associated with this section has been supplied as a part of Provision (h)(1)(ii)m.



## **Provision (h)(1)(ii)j - Test period energy reductions**

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
    - (ii) For each DSM/EE program for which cost recovery is requested:
      - j. total energy reduction in the aggregate and per appropriate capacity, energy and measure unit metric, as well as any changes in the estimated future amounts since last filed with the Commission;
- 

The information associated with this section has been supplied as a part of Provision (h)(1)(ii)m and within attached Appendix C.

## **Provision (h)(1)(ii)k - Test period findings and results of measures**

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
    - (ii) For each DSM/EE program for which cost recovery is requested:
      - k. a discussion of the findings and the results of the program or measure;
- 

### **Neighborhood Energy Saver**

The Neighborhood Energy Saver (NES) Program was launched in October 2009 to provide education and energy conservation measures to encourage the reduction of energy consumption in low-income homes. A comprehensive package of energy conservation measures is installed in the homes of low-income families to assist them in reducing their overall energy use and household energy costs. The Program has served 4,901 participants since April 2010. The program has experienced greater than expected program participation within each targeted neighborhood with over 85% of solicited eligible residents choosing to participate and receive program services.

Participation success can be attributed to the efforts made in advance to disseminate information about the program to residents, working with the local community leaders and advocacy groups, and the work of the installer teams to ensure every resident's home has been contacted.

### **Home Advantage Program**

The Home Advantage Program was launched in January 2009 to encourage home builders and residential developers to build to ENERGY STAR standards and to install HVAC systems with greater efficiency ratings than the applicable building code requirements. While participation was nominal in 2009 partially as a result of the recession and the distressed housing industry, participation levels rebounded in 2010. For 2010, with 2,203 ENERGY STAR homes built. Of those, 949 (43%) were Home Advantage homes.

### **Residential Lighting Program**

The Residential Lighting Program was launched in January of 2010. This program utilizes Compact Fluorescent Light (CFL) bulb manufacturers and retailers to offer PEC customers discounts at the register when purchasing CFLs. Participation levels for the first twelve months of the program were higher than originally forecasted. This can be attributed to high customer interest, low socket penetration of CFLs in the PEC territory and effective promotion of this program in the marketplace. As the industry moves in the coming years to offer products that meet new efficiency standards, PEC will evaluate and modify the Residential Lighting Program as necessary to continue to encourage customer adoption of energy efficient lighting. Continued

## **Provision (h)(1)(ii)k – Continued**

customer education will also be imperative to ensure customers are purchasing the right bulb for the application in order to obtain high satisfaction with this product.

### **Appliance Recycling Program**

The Appliance Recycling Program was launched in mid-April of 2010. Participation levels for the first year of the program are in line with Program expectations (projected 7,439 units, recycled 8,150 units).

Overall program success can be attributed to customer interest in energy efficiency, PEC's rebates, and customer acceptance and appreciation of the environmental benefits associated with appliance recycling.

### **Solar Water Heating Pilot Program**

The Solar Water Heating Pilot Program launched in June 2009. The purpose of the program is to determine and validate achievable energy savings associated with residential solar water heating technologies. A challenge has been that enrollment in the program has been slower than expected. Monitoring equipment has been installed and captured winter data, and summer data will be captured in the next few months. A final report is expected to be released in late summer of 2011.

### **Home Energy Improvement Program**

The Home Energy Improvement Program was launched in July of 2009. The purpose of this program is to offer customers a variety of energy conservation measures designed to increase energy efficiency in existing residential dwellings. The program utilizes a network of over 800 prequalified contractors that customers can use to install energy efficiency measures. Participation levels since the launch of the program are higher than originally forecasted. The overall program success can be attributed to higher customer interest in energy efficiency, customers capitalizing on the 2010 federal tax credits in conjunction with PEC's rebates, and promotion of the program by contractors. Promotion of the program includes consumer and contractor program flyers, direct mail, bill inserts, email blasts, trade shows to consumers and contractor collateral to support the contractor network. The current economy will likely continue to have a negative impact on program participation due to less disposable income and the reduction in the 2011 federal tax credit incentive, which makes it harder to justify energy efficiency improvements with longer term paybacks.

While initial participation rates have exceeded forecasts, measurement and verification (M&V) studies have indicated that many of the original deemed measure savings were over-stated. As a result, the verified MWH savings from these measures resulted in lower than anticipated savings during the test period.

## **Provision (h)(1)(ii)k – Continued**

### **Energy Efficiency for Business (EEB) Program**

The Energy Efficiency for Business (EEB) program, CIG EE, promotes energy efficient construction and retrofit in Progress Energy's commercial, industrial, and governmental markets. In its second full year of operation, the program again exceeded expectations and savings targets. While large customer interest in the EEB program has shown signs of dampening due to a significant increase in the Rider cost during 2010, PEC has seen strong participation from K-12 schools and community colleges, especially in the retrofit portion of the program. The economy continued to serve as an impediment to customers constructing new buildings, which directly limited participation and the disbursement of new construction and technical assistance dollars. Lighting was the primary program impact driver in 2010. EEB's technical assistance incentives continued to enable customers looking to implement efficiency projects. The vast majority of customers who have applied for technical assistance have subsequently implemented energy efficiency projects.

Though large customer participation has waned somewhat, the additional MWh savings in 2010 can be attributed to their choice to opt-in to EEB. PEC has decreased its projected EEB MWh savings contribution going forward from 2012 based on the expectation of a continued negative impact due to the rising DSM/EE rider. During program development, there was considerable uncertainty regarding how the rider may affect program participation over time. After two full years of program performance, PEC now has a better sense of the negative impact an increasing rider poses to EEB program.

### **Residential Load Control Program (EnergyWise™)**

The summer program (air conditioning load control) has experienced a participation level for the test period that has been slightly above the Company's expectations. The primary form of enrollment continues to be through business reply cards, which has constituted 71% of all enrollments. The remainder of enrollments has been through inbound telephone calls at 18% and through online web enrollments at 11%. The summer program was activated four times during the test period in response to system reliability alerts and Level 2 alerts under PEC's General Load Reduction Plan (GLRP).

Participation levels for the winter program (load control of water heating and auxiliary heat strips on central electric heat pumps in PEC's western region) during the test period has been below the Company's expectations. Though the winter program is small at approximately 3 MW, it was activated three times during the test period for testing and response to system reliability alerts under the PEC GLRP.

## **Provision (h)(1)(ii)k – *Continued***

### **CIG DR (Demand Response Automation)**

Participation in the Demand Response Automation (DRA) program has been slightly below the Company's expectations. Nine customers and 32 customer sites were enrolled in the program during the test period, accounting for approximately 10 MW of contracted curtailable demand. All customer interest in the program thus far has been from opt-out eligible customers. The opt-out clause and DSM/EE rider requirement continues to be a market barrier to customer participation. A new and more significant barrier was introduced in spring of 2010 with the EPA's National Emissions Standards for Hazardous Air Pollutants (NESHAP) ruling on existing emergency generators. This recent ruling limits existing emergency backup generators, manufactured on or before 2006, to 15 hours of operation in electric demand response programs. Participation in DRA can range from a minimum of 18 to a maximum of 80 hours of operation, thus classifying a participating generator as "non-emergency". This imposes more stringent air quality requirements, additional cost, and an administrative burden on potential participants. The industry generally agrees that the 15 hour limitation within the EPA rule is too short. PEC is currently collaborating with EEI, third-party aggregators, and other utilities to provide comment and influence future EPA rulemakings. The objective is to revise the rule such that hours of operation for an existing generator on a demand response program is 60 hours. Approximately 65% of the MW's enrolled in the program have come from customers that can backup their curtailable demand with standby generation. The remaining committed load is straight curtailment, typically from shutdown of processes from participating industrial customers. The program was activated four times during the test period in response to system reliability alerts and Level 2 alerts under the PEC General Load Reduction Plan (GLRP)

### **DSDR**

During the twelve month period ending March 31, 2011, DSDR was not activated except for testing. The full potential of DSDR activations will be realized when its DMS capabilities are up and running later next year. The expected peak demand reductions and MWh savings for DSDR have changed somewhat due to revisions in the implementation schedule for feeder conditioning, delays in the implementation schedule for DMS, as well as changes in the expected line loss savings resulting from changes in the feeder conditioning design requirements.

## Provision (h)(1)(ii)l - Evaluation of event based measure during test period

(h) Filing Requirements and Procedure.

(1) PEC shall submit to ORS and the Commission all of the following information in its application:

(ii) For each DSM/EE program for which cost recovery is requested:

I. evaluations of event-based programs including the date, weather conditions, event trigger, number of customers notified and number of customers enrolled;

### DSDR

During the twelve month period ending March 31, 2011, DSDR was not activated except for testing. The full potential of DSDR activations will be realized when its DMS capabilities are up and running later next year.

### Residential Load Control Program (EnergyWise™)

The following table provides information on load control occurrences associated with PEC's EnergyWise™ program covering the twelve month period ending March 31, 2011:

Date	Weather Conditions	Event Trigger <sup>1</sup>	Control Mode	Switches Activated	Number of Customers Controlled	Number of Customers Enrolled
May-06-10	90.1° F	GLRP System Reliability Alert	AC Units	24,135	20,555	AC - 21,994
Jun-24-10	96.0° F	GLRP Reliability Level 2	AC Units	30,984	26,400	AC - 26,400
Jul-07-10	100.1° F	GLRP System Reliability Alert	AC Units	32,434	27,662	AC - 27,662
Aug-11-10	97.1° F	GLRP System Reliability Alert	AC Units	36,876	31,597	AC - 31,597
Dec-14-10	15.0° F	GLRP System Reliability Alert	Water Heaters	2,096	2,051	WH - 2,051
Dec-15-10	15.0° F	GLRP System Reliability Alert	Water Heaters	2,105	2,052	WH - 2,052
Dec-15-10	15.0° F	GLRP System Reliability Alert	Strip Heat	1,409	1,258	HT - 1,258
Jan-14-11	8.0° F	Testing	Water Heaters	2,205	2,205	WH - 2,205
Jan-14-11	8.0° F	Testing	Strip Heat	1,479	1,327	HT - 1,327

<sup>1</sup> GLRP - General Load Reduction Plan

## Provision (h)(1)(ii)l – *Continued*

### CIG DR (Demand Response Automation)

The following table provides information on load control occurrences associated with PEC’s CIG Demand Response Automation program covering the twelve month period ending March 31, 2011:

Date	Weather Conditions	Event Trigger <sup>1</sup>	Control Mode	Points of Delivery Controlled	Number of Customers Controlled	Number of Customers Enrolled
Jun-24-10	96.0° F	GLRP Reliability Level 2	NA	18	6	6
Jul-07-10	100.1° F	GLRP System Reliability Alert	NA	23	6	6
Aug-11-10	97.1° F	GLRP System Reliability Alert	NA	25	6	6
Dec-15-10	15.0° F	GLRP System Reliability Alert	NA	9	2	6

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<sup>1</sup> GLRP - General Load Reduction Plan

## Provision (h)(1)(ii)m – Comparison of impact estimates

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
- (ii) For each DSM/EE program for which cost recovery is requested:
- m. a comparison of impact estimates presented in the measure application from the previous year, those used in reporting for previous measure years, and an explanation of significant differences in the impacts reported and those previously found or used;

The Company's current impact estimate of capacity savings, estimated savings used in its previous report, and their differences, expressed in megawatts at the meter, are provided in the following tables. Explanations of variances are provided in Provision(h)(1)(ii)k:

Forecasted Summer Capacity Values from Docket No. 2010-161-E

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2010	9.1	50.0	99.3	0.7	7.6	0.7	5.4	0.4	NA	10.5	0.6	184.3
2011	29.6	87.5	131.0	1.5	11.2	1.4	11.4	1.2	NA	20.4	0.6	295.8
2012	45.1	125.0	241.0	2.7	14.9	2.0	11.4	2.2	NA	34.2	0.6	479.1
2013	50.1	155.4	249.2	4.6	19.1	2.7	11.4	3.4	NA	51.5	0.6	548.0

Actual and Anticipated Summer Capacity Values<sup>1</sup>

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2010	7.8	53.4	95.0	1.0	7.3	0.7	7.3	0.5	-	9.7	0.6	183.3
2011	23.7	93.5	108.0	2.2	12.6	1.4	14.3	1.7	2.6	20.2	0.6	280.8
2012	37.7	133.5	241.0	4.2	18.4	2.0	20.6	3.5	2.6	31.2	0.6	495.3
2013	51.8	170.6	248.8	7.1	24.8	2.7	25.7	5.5	2.1	43.4	0.6	583.1

Differences Between Previous and Updated Summer Capacity Values

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2010	(1.3)	3.4	(4.3)	0.3	(0.3)	-	1.9	0.1	-	(0.8)	-	(1.0)
2011	(5.9)	6.0	(23.0)	0.7	1.4	-	2.9	0.5	2.6	(0.2)	-	(15.0)
2012	(7.4)	8.5	-	1.5	3.5	-	9.2	1.3	2.6	(3.0)	-	16.2
2013	1.7	15.2	(0.4)	2.5	5.7	-	14.3	2.1	2.1	(8.1)	-	35.1

<sup>1</sup> Values associated with PEC's Residential Solar Hot Water Heating Program will be supplied upon completion of measurement and verification process.



### Provision (h)(1)(ii)m - Continued

Forecasted Winter Capacity Values from Docket No. 2010-161-E

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2010	-	2.8	-	-	-	-	-	-	NA	-	0.7	3.5
2011	-	8.8	-	-	-	-	-	-	NA	-	0.7	9.5
2012	-	17.9	-	-	-	-	-	-	NA	-	0.7	18.6
2013	-	21.6	-	-	-	-	-	-	NA	-	0.7	22.3

Actual and Anticipated Winter Capacity Values<sup>1</sup>

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2010	-	3.0	-	-	-	-	-	-	-	-	0.7	3.7
2011	-	5.1	-	-	-	-	-	-	-	-	0.7	5.8
2012	-	7.4	-	-	-	-	-	-	-	-	0.7	8
2013	-	9.5	-	-	-	-	-	-	-	-	0.7	10.1

Differences Between Previous and Updated Winter Capacity Values

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2010	-	0.2	-	-	-	-	-	-	-	-	-	0.2
2011	-	(3.5)	-	-	-	-	-	-	-	-	-	(3.7)
2012	-	(10.5)	-	-	-	-	-	-	-	-	-	(10.6)
2013	-	(12.1)	-	-	-	-	-	-	-	-	-	(12.2)

<sup>1</sup> Values associated with PEC's Residential Solar Hot Water Heating Program will be supplied upon completion of measurement and verification process.

## Provision (h)(1)(ii)m - Continued

The Company's current impact estimate of energy savings, estimated savings used in its previous report, expressed in megawatt hours at the meter, and their differences are provided in the following tables.

Forecasted Energy Values from Docket No. 2010-161-E

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2010	99	79	21,245	2,072	10,107	4,700	57,283	3,459	NA	42,269	6,706	148,019
2011	562	249	29,568	4,615	15,087	8,876	125,046	10,491	NA	82,406	6,706	283,606
2012	1,320	506	54,327	8,744	20,247	13,052	125,046	19,085	NA	138,050	6,706	387,083
2013	2,204	850	55,689	14,915	25,647	17,228	125,046	29,311	NA	207,919	6,706	485,515

Actual and Anticipated Energy Values<sup>1</sup>

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2010	93	149	14,787	2,817	7,530	4,861	76,552	4,026	-	46,320	6,706	163,841
2011	317	333	30,275	6,242	13,511	9,119	150,739	10,334	14,400	89,806	6,706	331,781
2012	570	626	54,931	11,426	20,520	13,295	217,774	18,210	14,400	134,983	6,706	493,440
2013	823	834	56,082	19,174	28,229	17,471	271,402	27,582	11,520	185,200	6,706	625,021

Differences Between Previous and Updated Energy Values

	CIG DR	Energy Wise™	DSDR	Res Home Advantage	Residential HEIP	Res Low Income	Res Lighting	Res Appl. Recycling	Res EE Benchmark	CIG Energy Efficiency	CFL Pilot	Total
2010	(6)	70	(6,458)	745	(2,577)	161	19,269	567	-	4,051	-	15,822
2011	(245)	84	707	1,627	(1,576)	243	25,693	(157)	14,400	7,400	-	48,175
2012	(750)	120	604	2,682	273	243	92,728	(875)	14,400	(3,067)	-	106,357
2013	(1,381)	(16)	393	4,259	2,582	243	146,356	(1,729)	11,520	(22,719)	-	139,506

<sup>1</sup> Values associated with PEC's Residential Solar Hot Water Heating Program will be supplied upon completion of measurement and verification process.

## Provision (h)(1)(ii)n – Determination of utility incentives

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
  - (ii) For each DSM/EE program for which cost recovery is requested:
    - n. a detailed explanation of the calculation of the PPI, the actual calculation of the proposed PPI, and the proposed method of providing for their recovery and true-up through the annual rider;

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The Company is requesting recovery of (1) net lost revenues, and (2) program performance incentives to create future benefits based on achieved savings from Demand-Side Management (DSM) and Energy Efficiency (EE) programs. The cost recovery mechanism is based upon the Settlement Agreement as approved by the Commission in Docket No. 2008-251-E, and has been summarized below. The specific calculations associated with these amounts are included as a part of the Company's supporting workpapers.

### A. Net Lost Revenues

Net lost revenues are determined by multiplying lost sales by a net lost revenue rate.

$$\text{Net Lost Revenues} = \text{Lost Sales} \times \text{Net Lost Revenue Rate}$$

Lost Sales are those sales that do not occur by virtue of employing the DSM/EE measures. These values are initially based on estimates and subsequently confirmed through the measurement and verification (M&V) process.

Net Lost Revenue Rate is the difference between the average retail rate applicable to the customer class impacted by the measure and (1) the related customer charge component of that rate, (2) the fuel component of the rate, and (3) the incremental variable O&M rate. When multiple customer classes are impacted by the DSM/EE measures, a weighted or system wide net lost revenue rate is employed. The recovery of net lost revenues applicable to a given vintage year shall be recovered through the DSM/EE rider only for the first 36 months after the installation of the measurement unit. Thereafter, recovery of Net Lost Revenues shall end.

### B. Incentive to Create Future Benefits

#### **DSM and EE Program Performance Incentives (PPI)**

For DSM programs, the PPI to be recovered for a given measurement unit and vintage year shall be equal to 8% of the net present value of the DSM program savings based upon the Utility Cost Test ("UCT"). For EE programs, the PPI to be recovered for a given measurement unit and vintage year shall be equal to 13% of the net present value of the EE program savings based upon the UCT. The UCT is an industry standard test, which compares the costs incurred by a utility in offering a DSM/EE program to the benefits as measured by the costs avoided by the utility.

**Provision (h)(1)(ii)n - Continued**

The PPI is converted into a stream of ten (10) levelized annual payments, accounting for and incorporating PEC's overall weighted average net-of tax rate of return approved in PEC's most recent general rate case as the appropriate discount rate.

Pursuant to the Docket No. 2008-251-E based Settlement Agreement, the amount of the PPI ultimately to be recovered for a given program or measure and vintage year shall be trued-up so that the PPI is based on the actual net savings derived from all measurement units specific to the program or measure.

South Carolina jurisdictional estimated lost sales quantities for the Company's system are provided in the following table. They have been segmented into the recovery periods.

Program / Measure	Sales Loss For Purposes of Lost Revenue Calculation (kWh) – South Carolina	
	Test Period (4/1/10 through 3/31/11)	Rate Period (7/1/11 through 6/30/12)
<b>Demand-Side Management Programs</b>		
CIG DR <sup>1</sup>	13,150	-
EnergyWise <sup>1</sup>	22,126	-
DSDR Implementation <sup>1</sup>	-	-
<b>Energy Efficiency Programs</b>		
Res Home Advantage	356,752	922,507
Res Home Energy Improve.	778,919	2,076,405
Residential Low Income-NES	555,037	1,346,240
Residential Lighting	8,780,589	22,112,340
Res Appliance Recycling	374,705	1,533,036
Residential EE Benchmark	-	2,083,680
Solar Hot Water Heating Pilot	-	-
CIG Energy Efficiency	5,912,402	13,112,992
CFL Pilot	410,610	-
<b>Total Reduction in Energy (kWh)</b>	<b>17,204,290</b>	<b>43,187,200</b>

<sup>1</sup> Net lost revenues for event based measures are based on actual events as opposed to estimated occurrences.

**Provision (h)(1)p(ii)n - Continued**

The following table provides calculated South Carolina jurisdictional utility incentives for the Company's test period (4/1/10 through 3/31/11). The PPI values encompass program results associated with program vintages 2009 and 2010.

Program / Measure	Utility Incentives (South Carolina Only) – Test Period (4/1/10 through 3/31/11)			
	Net Lost Revenue	DSM PPI	EE PPI	Total
<b>Demand-Side Management Programs</b>				
CIG DR	684.31	9,212.18	-	9,896.49
EnergyWise	1,292.03	85,800.33	-	87,092.36
DSDR Implementation	-	-	-	-
<b>Energy Efficiency Programs</b>				
Res Home Advantage	20,832.39	-	6,888.24	27,720.63
Res Home Energy Improve.	45,484.64	-	16,429.28	61,913.92
Residential Low Income-NES	32,411.15	-	-	32,411.15
Residential Lighting	512,738.91	-	76,777.52	589,516.43
Res Appliance Recycling	21,880.74	-	3,849.61	25,729.79
Residential EE Benchmark	-	-	-	-
Solar Hot Water Heating Pilot	-	-	-	-
CIG Energy Efficiency	307,763.54	-	129,771.15	437,534.69
CFL Pilot	23,977.40	-	10,473.00	34,450.40
<b>Total Utility Incentives Including Net Lost Revenue</b>	<b>967,065.35</b>	<b>95,012.51</b>	<b>244,188.24</b>	<b>1,306,266.10</b>

The following table provides calculated South Carolina jurisdictional utility incentives for the Company's rate period (7/1/10 through 6/30/11). The PPI values encompass program results associated with program vintages 2009, 2010 and estimates for 2011.

Program / Measure	Utility Incentives (South Carolina Only) – Rate Period (7/1/11 through 6/30/12)			
	Net Lost Revenue	DSM PPI	EE PPI	Total
<b>Demand-Side Management Programs</b>				
CIG DR	-	27,992.44	-	27,992.44
EnergyWise	-	148,231.74	-	148,231.74
DSDR Implementation	-	-	-	-
<b>Energy Efficiency Programs</b>				
Res Home Advantage	53,371.11	-	17,463.51	70,834.62
Res Home Energy Improve.	120,129.26	-	35,406.80	155,536.06
Residential Low Income-NES	77,885.99	-	-	77,885.99
Residential Lighting	1,279,297.29	-	158,380.20	1,437,677.49
Res Appliance Recycling	88,692.94	-	9,971.15	98,664.09
Solar Hot Water Heating Pilot	-	-	-	-
Residential EE Benchmark	120,550.16	-	1,448.48	121,998.64
CIG Energy Efficiency	675,499.44	-	273,869.22	949,368.66
CFL Pilot	-	-	10,473.00	10,473.00
<b>Total Utility Incentives Including Net Lost Revenue</b>	<b>2,415,426.19</b>	<b>176,224.18</b>	<b>507,012.36</b>	<b>3,098,662.73</b>

## **Provision (h)(1)p(ii)n – Continued**

As a result of the Company's receipt of measurement and verification results associated with its Residential Home Energy Improvement Program (HEIP), it has reconciled PPI amounts recovered through its DSM/EE Rider with those based on verified results. The Company over collected PPI amounts equal to \$7,469.84. This amount has been used to reduce the revenue requirement associated with its request. In addition, net lost revenues had been overstated by 243 MWH through the test period ending March 31, 2010. Net lost revenue related requirements for the current test period have been reduced by the prior overstatement. This recognition resulted in the equivalent of a \$ 14,215 reduction in the test period revenue requirement. These adjustments, coupled with their prospective recognition, effectively finalize values associated with the 2009 vintage of PEC's Residential Home Energy Improvement Program.

The Company's proposed jurisdictional allocation factors for the test period, April 1, 2010 through March 31, 2011, and the rate period, July 1, 2011 through June 30, 2012 are provided in attached Appendix B.

**Provision (h)(1)(ii)o – Actual revenue from DSM/EE rider**

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
  - (ii) For each DSM/EE program for which cost recovery is requested:
    - o. Actual revenues produced by the DSM/EE rider during the test period and for all available months immediately preceding the rate period.

The following table provides DSM/ EE revenues billed from July 1, 2010 through March 31, 2011.

DSM/EE Rate Classification	Amount
<b>Residential Recoveries</b>	\$ 3,633,332.88
<b>General Service</b>	\$ 3,525,646.50
<b>Less: Opt-Out Credits</b>	1,961,735.32
<b>General Service Recoveries</b>	\$ 1,563,911.18
<b>Lighting</b>	\$ 0.00
<b>Less: Opt-Out Credits</b>	0.00
<b>Lighting Recoveries</b>	\$ 0.00
<b>Total DSM/EE Recoveries</b>	\$ 5,197,244.06

## Provision (h)(1)(ii)p – Proposed DSM/EE rider

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
  - (ii) For each DSM/EE program for which cost recovery is requested:
    - p. The requested DSM/EE rider and the basis for the rider;

Detailed information regarding the determination of the DSM/EE and DSM/EE EMF factors has been provided as a part of the attached testimony of Robert P. Evans. The following table provides a summary of the Company's requested DSM/EE rates exclusive of gross receipts taxes (GRT) and South Carolina Regulatory Fees.

Rate Class	DSM /EE Rate
Residential	0.301¢/kWh
General Service	0.139¢/kWh
Lighting	0.000¢/kWh

The following table provides a summary of the Company's requested DSM/EE rates including both GRT and South Carolina Regulatory Fees.

Rate Class	DSM /EE Rate
Residential	0.302¢/kWh
General Service	0.140¢/kWh
Lighting	0.000¢/kWh



**Provision (h)(1)(ii)q – Projected SC retail sales for customers opting out of measures**

(h) Filing Requirements and Procedure.

- (1) PEC shall submit to ORS and the Commission all of the following information in its application:
  - (ii) For each DSM/EE program for which cost recovery is requested:
    - q. Projected South Carolina retail monthly kWh sales for the rate period for all industrial and large commercial accounts, in the aggregate, that are not assessed the rider charges.

Based on the current proportion of General Service sales associated customers who have “opted-out” of participation in PEC’s DSM/EE programs, PEC estimates that 2,283,226,881 kWh will not be subject to billing under its rider for the twelve month period ending June 30, 2012. A similar analysis estimated that there is another 2,942,406 kWh, associated with the lighting accounts of commercial and industrial customers who have elected to “opt-out”, that would not be subject to billing under its rider. The following table provides the Company’s estimate of South Carolina retail monthly kWh sales in the aggregate, that will not be assessed DSM/EE rider charges.

Estimated “Opt-Out” Sales from with Industrial, Large Commercial & Lighting Customers

Month	Estimated kWh
Jul-11	213,913,669
Aug-11	204,569,702
Sep-11	202,886,525
Oct-11	198,473,665
Nov-11	217,387,712
Dec-11	142,903,796
Jan-12	213,416,083
Feb-12	177,492,033
Mar-12	138,025,092
Apr-12	197,324,994
May-12	175,544,914
Jun-12	204,231,102
<b>Total</b>	<b>2,286,169,287</b>

## **Provision (h)(2) – Supporting workpapers**

(h) Filing Requirements and Procedure.

(2) PEC will file the information described in this procedure, accompanied by workpapers and direct testimony and exhibits of expert witnesses.

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Workpapers and supporting documents have been attached to this document along with the testimony and exhibits of Robert P. Evans providing details associated with the development of the Company's proposed DSM/EE rates.

**Appendix A: Non-Participating Customers**

<b>Non-Participant</b>	<b>Non-Participating Accounts</b>
A V M INDUSTRIES	8
ABB POWER DISTRIBUTION INC	1
ADP TAX CREDIT SRVC INC	1
AGRIUM US INC	4
AHLSTROM NONWOVENS LLC	3
ANVIL KNITWEAR INC	2
ASSURANT SPECIALTY PROPERTY	1
BARRINGTON MYRTLE BEACH LLC	1
BECTON DICKINSON & CO	1
BEST BUY LP #826	1
BI-LO LLC	10
BLACKMON	1
BLUE CROSS/BLUE SHIELD OF SC	4
BVP HOLDING LLC	1
CALHOUN FARMS	4
CAROLINA CANNERS INC	7
CAROLINA FURNITURE	3
CAROLINA PINES REGIONAL MED	8
CAROLINAS HOSPITAL SYSTEM	8
CHARLES CRAFT INC	3
CHARLES INGRAM LUMBER CO INC	18
CHAR-WALT INC	2
CHERAW TOWN OF	1
CHESTERFIELD COUNTY SCHOOLS	10
CITI TRENDS INC	1
CITY OF FLORENCE	5
COKER COLLEGE	25
COMMANDR HEALTH CARE FACLT IN	1
CONBRACO INDUSTRIES INC	3
COOPER TOOLS, INC	1
CROWN CORK & SEAL USA INC	3
DARLINGTON CO SCHOOL DIST	2
DARLINGTON SHREDDING INC	1
DEROYAL INDUSTRIES INC	2
DILLON FURNITURE MFG CO INC	1

<b>Non-Participant</b>	<b>Non-Participating Accounts</b>
DILLON YARN CORPORATION	2
DIXIE PIPELINE COMPANY	1
DOMTAR PAPER CO LLC	1
E I DUPONT DE NEMOURS & CO	1
EATON CORPORATION	1
ENERSYS DELAWARE INC	3
EVANS	4
EZ PRODUCTS LLC	1
FIRESTONE BUILDING PRODUCTS	3
FLO DARL TECHNICAL COLLEGE	6
FLOCO FOODS INC	8
FLORENCE CO SCHOOL DIST #2	1
FOOD LION INC	18
FRANCO MFG CO INC	2
FRASIER TIRE SERVICE	1
FREEMAN MILLWORK CO	2
G E MEDICAL SYSTEM	1
G E MEDICAL SYSTEMS INC	1
GALEY & LORD LLC	3
GEORGIA PACIFIC LLC	3
H B D INDUSTRIES INC	1
HAIER AMERICA REFRIGERATORS	3
HARRIS TEETER INC	1
HARTSVILLE OIL MILL	3
HARVIN PACKING COMPANY INC	1
HENGST OF NORTH AMERICA INC	1
HIGHLAND INDUSTRIES INC	4
HODGES	1
HONORAGE NURSING HOME	1
INDUSTRIAL FABRICATORS	1
INTERNATIONAL PAPER CO	1
INVISTA S A R L	7
IRIX PHARMACEUTICALS	2
ITW ANGLEBOARD	2
J & M DYERS INC	2
J J HOSPITALITY LLC	3
JOHNSONVILLE CITY OF	1

PEC Exhibit No. 1  
Filing Requirements

<b>Non-Participant</b>	<b>Non-Participating Accounts</b>
JONES FOODS INC	1
KAYDON CORPORATION	2
KOPPERS CO INC	3
KOPPERS INDUSTRIES INC	2
LEE COUNTY SCHOOL DISTRICT	2
LEWIS MOLA LLC	1
LOCKAMY SCRAP METAL INC	4
MANNING CITY OF	1
MARION COUNTY MEDICAL CENTER	2
MARLEY ELECTRIC HEAT CO	1
MARSH LUMBER COMPANY	1
MARTEK BIOSC KINGSTREE CORP	1
MCCALL FARMS INC	4
MCLEOD MEDICAL CENTER	5
METHODIST MANOR	8
MORRELL MEMORIAL CONVAL CENTE	1
NATIONAL HEALTHCARE CORPORATION	1
NEIGHBORHOOD GROCER LLC	1
NORTHEASTERN TECHNICAL COLLEGE	3
NUCOR COLD FINISH	2
NUCOR STEEL	1
PACIFIC MDF PRODUCTS INC	1
PALMETTO BRICK CO	6
PALMETTO GROCER INC	1
PAPER STOCK DEALERS	1
PEACE TEXTILE AMERICA INC	1
PERDUE FARMS INC	3
PIGGLY WIGGLY	11
PILGRIMS PRIDE CORPORATION	3
POLAR COLD STORAGE INC	2
POLYQUEST INC	2
POSTON PACKING CO	2
PROTECTIVE PACKAGING INC	1
REXAM BEVERAGE CAN COMPANY	1
RIVERSIDE ELEC MOTORS	1
ROCHE CAROLINA	1
S & W MANUFACTURING CO	1

PEC Exhibit No. 1  
Filing Requirements

<b>Non-Participant</b>	<b>Non-Participating Accounts</b>
SANTEE PRINT WORKS INC	4
SCHAEFFLER GROUP USA INC	7
SCHOOL DIST OF GEORGETOWN CO	4
SHAW AFB	1
SHAW CES CEOEE	1
SLI LIGHTING CORPORATION	4
SMITH	2
SONOCO PRODUCTS CO	10
SONOCO PRODUCTS COMPANY	2
SOPAKCO PACKAGING INC	3
SOUTH ATLANTIC CANNERS INC	3
SOUTHERN GRAPHICS SYSTEMS INC	1
STANLEY TOOLS DIV OF	1
STEELFAB OF SC	1
SUMTER FOODS INC	1
SUMTER PACKAGING CORP	2
T B FOODS INC	1
TALLEY METALS TECHNOLOGY INC	10
THE BROTHERS OF NORTH CAROLINA	1
TREBOL USA LLC	4
TUOMEY HEALTHCARE SYSTEM	2
TUPPERWARE CO INT	1
TYCO HEALTHCARE GROUP LP	1
UNIFIRST CORPORTATION	1
UNIMIN CORPORATION	1
US AIR FORCE	3
VESUVIUS USA CORPORATION	2
VULCRAFT CORP	4
VULCRAFT DECK PLANT	1
VULCRAFT DIV NUCOR CORP	3
W LEE FLOWERS CO INC	1
WALLACES OLD FASH SKINS	1
WALMART STORES INC	10
WEYLICHEM US INC	2
WILLIAMSBURG REGIONAL HOSPITAL	2
YOUNG PECAN SHELLING CO	4
ZIMACS INCORPORATED	4

## Appendix B: Allocation Factors

Allocation Factors Applicable to Test Period:

Program / Measure - (April 2010)	South Carolina
<b>Demand-Side Management (DSM)</b>	
CIG DR	13.84%
EnergyWise™	13.84%
DSDR Implementation	13.84%
<b>Energy Efficiency Programs (EE)</b>	
Res Home Advantage	14.94%
Res Home Energy Improve.	14.94%
Residential Low Income-NES	14.94%
Residential Lighting	14.94%
Res Appliance Recycling	14.94%
Residential EE Benchmarking	14.94%
Solar Hot Water Heating Pilot	14.94%
CIG Energy Efficiency	14.94%
CFL Pilot	14.94%

Program / Measure - (May 2010 through April 2011)	South Carolina
<b>Demand-Side Management (DSM)</b>	
CIG DR	14.11%
EnergyWise™	14.11%
DSDR Implementation	14.11%
<b>Energy Efficiency Programs (EE)</b>	
Res Home Advantage	14.59%
Res Home Energy Improve.	14.59%
Residential Low Income-NES	14.59%
Residential Lighting	14.59%
Res Appliance Recycling	14.59%
Residential EE Benchmarking	14.59%
Solar Hot Water Heating Pilot	14.59%
CIG Energy Efficiency	14.59%
CFL Pilot	14.59%

## Appendix B – Continued

Allocation Factors Applicable to the Rate Period:

Program / Measure - (May 2011 through June 2012)	South Carolina
<b>Demand-Side Management (DSM)</b>	
CIG DR	13.51%
EnergyWise™	13.51%
DSDR Implementation	13.51%
<b>Energy Efficiency Programs (EE)</b>	
Residential Home Advantage	14.47%
Residential Home Energy Improvement	14.47%
Residential Low Income-NES	14.47%
Residential Lighting	14.47%
Residential Appliance Recycling	14.47%
Residential EE Benchmarking	14.47%
Solar Hot Water Heating Pilot	14.47%
CIG Energy Efficiency	14.47%
CFL Pilot	14.47%



## Appendix C: Savings By Measure

	No. of Premises / Measures	Annualized Values		Avg per Premise/Measure	
		kWh Savings	kW Savings	kWh Savings	kW Savings
<b>EnergyWise™</b>					
AC Direct Load Control	33,698	NA	40,862	NA	1.21
Water Heater Direct Load Control	1,975	NA	1,583	NA	0.80
HP Strip Heater Direct Load Control	1,234	NA	1,236	NA	1.00
EnergyWise™ Total	36,906	NA	43,681	NA	1.18
<b>CIG Demand Response</b>	35	NA	11,606	NA	331.60
<b>Residential Home Advantage</b>					
ENERGY STAR	1,458	2,624,400	806	1,800	0.55
Heat Pump	1,618	695,491	344	430	0.21
Central AC	214	11,869	5	55	0.02
Geothermal Heat Pump	36	5,643	5	157	0.13
Residential Home Advantage Total	3,326	3,337,403	1,159	1,003	0.35
<b>Residential Home Energy Improvement</b>					
ASHP HVAC Replacement	8,271	1,086,123	1,911	131	0.23
Furnace/AC HVAC Replacement	3,137	510,877	796	163	0.25
Geothermal HVAC Replacement	147	191,786	76	1,305	0.52
Duct Testing/Repair	4,100	209,326	331	51	0.08
HVAC Level I Tune Up	10,652	562,426	28,253	53	0.05
Insulation/Air Sealing	761	647,483	229	851	0.30
Window Replacement	3,838	890,877	1,402	232	0.37
HVAC Level 2 Tune Up	208	63,898	55	307	0.26
Residential HEIP Total	31,114	4,162,795	33,054	134	1.06
<i>† Amounts reflect M&amp;V adjusted results</i>					
<b>Residential Low Income - NES</b>	4,360	1,765,808	270	405	0.06
<b>Residential Lighting Program</b>	3,853,459	83,602,791	7,916	22	0.00
<b>Residential Appliance Recycling</b>	8,139	5,034,845	586	619	0.07
<b>CIG Energy Efficiency</b>					
Prescriptive Lighting	338	24,807,102	6,208	73,394	18.37
Prescriptive HVAC	43	1,032,011	283	24,000	6.57
Prescriptive Refrigeration	9	440,825	18	48,981	1.95
Custom Measure	115	10,830,514	744	94,178	6.47
Technical Assistance	23	NA	NA	NA	NA
CIG Energy Efficiency Total	528	37,110,452	7,252	70,285	13.74
<b>Residential Solar Water Heating Pilot</b>	69	14,377	14	208	0.20

**SOUTH CAROLINA UTILITIES COMMISSION**

**DOCKET NO. 2011-\_\_\_\_-E**

**DIRECT TESTIMONY OF ROBERT P. EVANS  
ON BEHALF OF CAROLINA POWER & LIGHT COMPANY  
D/B/A/ PROGRESS ENERGY CAROLINAS, INC.**

1 **Q. PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS AND POSITION**  
2 **WITH PROGRESS ENERGY CAROLINAS, INC..**

3 A. My name is Robert P. Evans and my business address is 100 E. Davie Street, Post Office  
4 Box 1551, Raleigh, North Carolina 27602. I am employed by Progress Energy Carolinas,  
5 Inc. ("PEC") as a Lead DSM Regulatory Specialist in the Company's Efficiency and  
6 Innovative Technologies Department.

7 **Q. PLEASE BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND AND**  
8 **EXPERIENCE.**

9 A. I graduated from Iowa State University ("ISU") in 1978 with a Bachelor of Science Degree  
10 in Industrial Administration and a minor in Industrial Engineering. As a part of my  
11 undergraduate work, I participated in both the graduate level Regulatory Studies Programs  
12 sponsored by American Telephone and Telegraph Corporation and graduate level study  
13 programs in Engineering Economics. Subsequent to my graduation from ISU I received  
14 additional Engineering Economics training at the Colorado School of Mines, completed the  
15 NARUC Regulatory Studies program at Michigan State, and completed the Advanced  
16 AGA Ratemaking program at the University of Maryland. Upon graduation from ISU, I  
17 joined the Iowa State Commerce Commission, now known as the Iowa Utility Board

1 ("IUB"), in the Rates and Tariffs Section of the Utilities Division. During my tenure with  
2 the IUB, I held several positions, including Senior Rate Analyst in charge of Utility Rates  
3 and Tariffs and Assistant Director of the Utility Division. In those positions I provided  
4 testimony in gas, electric, water and telecommunications proceedings as an expert witness  
5 in the areas of rate design, service rules, and tariff applications. In 1982, I accepted  
6 employment with City Utilities of Springfield, Missouri, as an Operations Analyst. In that  
7 capacity, I provided support for rate-related matters associated with the municipal utility's  
8 gas, electric, water and sewer operations. In addition, I worked closely with its load  
9 management and energy conservation programs. In 1983, I joined the Rate Services staff  
10 of the Iowa Power and Light Company, now known as MidAmerican Energy, as a Rate  
11 Engineer. In this position, I was responsible for the preparation of rate related filings and  
12 presented testimony on rate design, service rules, and accounting issues before the IUB. In  
13 1986, I accepted employment with Tennessee-Virginia Energy Corporation, which is now  
14 known as the United Cities Division of ATMOS Energy, as Director of Rates and  
15 Regulatory Affairs. While in this position, I was responsible for regulatory filings,  
16 regulatory relations, and customer billing. In 1987, I went to work for the Virginia State  
17 Corporation Commission in the Division of Energy Regulation as a Utilities Specialist. In  
18 this capacity I worked with electric and natural gas issues and provided testimony on cost  
19 of service and rate design matters brought before that regulatory body. In 1988, I joined  
20 North Carolina Natural Gas Corporation ("NCNG") as its Manager of Rates and Budgets.  
21 Subsequently, I was promoted to Director-Statistical Services in its Planning and  
22 Regulatory Compliance Department. In that position, I performed a variety of work  
23 associated with financial, regulatory and statistical analysis, and presented testimony on

1 several issues brought before the North Carolina Utilities Commission. I held that position  
2 until the closing of NCNG's merger with Carolina Power and Light Company, the  
3 predecessor of Progress Energy, Inc., on July 15, 1999.

4 From July 1999 through January 2008 I was employed in Principal and Senior Analyst  
5 roles by the Progress Energy Service Company, LLC. In these roles I provided NCNG,  
6 Progress Energy Carolinas, Inc. and Progress Energy Florida, Inc. with rate and regulatory  
7 support in their state and federal venues as well as financial forecasting support.

8 **Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES?**

9 A. I am responsible for financial analysis and support of PEC's Energy Efficiency (EE) and  
10 Demand Side Management (DSM) programs.

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A. The purpose of my testimony is to explain and support PEC's Application for a DSM/EE  
13 cost recovery rider and to provide the information required by the Stipulation approved by  
14 Commission Order No. 2009-373 in Docket No. 2008-251-E.

15 **Q. ARE YOU SPONSORING PEC'S DSM/EE COST RECOVERY RIDER  
16 APPLICATION?**

17 A. Yes. In addition to this testimony and accompanying exhibits, I am sponsoring PEC'S  
18 DSM/EE Cost Recovery Rider Application identified as PEC Exhibit No. 1.

19 **Q. WHAT IS THE SCOPE OF THE APPROVED STIPULATION IN DOCKET NO.  
20 2008-251-E?**

21 A. In summary, the Stipulation provided for: filing requirements; program opt-out criteria;  
22 procedures for the annual recovery of costs incurred to implement new Demand-Side

1 Management (DSM) and Energy Efficiency (EE) programs and measures including the  
2 limited recovery of net lost revenues and incentives based on the sharing of savings  
3 achieved from PEC's programs. In addition, the Stipulation provided governing  
4 parameters associated with DSM/EE measure screening, measurement and verification.

5 **Q. HAS PEC SUBMITTED INFORMATION COMPLYING WITH THE**  
6 **STIPULATED FILING REQUIREMENTS?**

7 A. Yes, it has. The information required by Section (h) of the Stipulation, is contained in PEC  
8 Exhibit No. 1.

9 **Q. DOES PEC'S REQUEST RECOGNIZE CUSTOMERS OPTING-OUT OF**  
10 **PROGRAM PARTICIPATION?**

11 Yes it does. Section (f) of the Stipulation provides that commercial customers with annual  
12 consumption of 1,000,000 kWh or greater in the billing months of the prior calendar year  
13 and all industrial customers may elect to not participate in any utility-offered DSM/EE  
14 measures and, after written notification to the utility, will not be subject to the DSM/EE  
15 Rider. For purposes of application of this option, a customer is defined to be a metered  
16 account billed under a single application of a Company rate tariff. For commercial  
17 accounts, once one account meets the opt-out eligibility requirement, all other accounts  
18 billed to the same entity with lesser annual usage located on the same or contiguous  
19 properties are also eligible to opt-out of the DSM/EE Rider. Since these rates are included  
20 in the rate tariff charges, customers electing this option will receive an itemized DSM/EE  
21 Credit on their monthly bill statement.

1 **Q. IS PEC REQUESTING PROGRAM PERFORMANCE INCENTIVES IN THIS**  
2 **PROCEEDING?**

3 Yes it is. The incentives, identified as Program Performance Incentives (“PPI”), are  
4 calculated pursuant to section (e) of the Stipulation, based on the savings achieved by  
5 DSM/EE programs as measured by the Utility Cost Test (“UCT”). With regard to DSM  
6 measures and programs, PEC will receive an incentive equal to eight percent of the net  
7 savings estimated by the UCT, and for EE measures and programs PEC will receive an  
8 incentive equal to thirteen percent of the UCT estimated net savings. Using these values,  
9 the PPI is established for measures installed during a twelve-month period (i.e. a vintage  
10 year) and is recovered in equal annual installments over a ten-year period. The annual  
11 installments are calculated through the levelization of the vintage year PPI using PEC’s  
12 overall weighted net-of-tax rate of return approved in PEC’s most recent general rate case  
13 as a discount rate.

14 In addition, PEC is requesting the recovery of estimated net lost revenues. Pursuant to the  
15 Stipulation, recovery of net lost revenues is allowed for no more than three years for  
16 measures installed in any given vintage year. Both the recovery of net lost revenue and PPI  
17 are subject to true-up on the basis of measurement and verification analysis.

18 **SUMMARY OF DSM/EE COSTS**

19 **Q. CAN YOU PROVIDE A SUMMARY OF THE COSTS FOR WHICH THE**  
20 **COMPANY IS REQUESTING RECOVERY IN THIS PROCEEDING?**

21 A. Yes. The Company’s requested recovery of DSM/EE costs, allocated jurisdictionally to  
22 South Carolina, associated with this proceeding have been broken into two periods. For the

1 test period, April 1, 2010 through March 31, 2011, the South Carolina allocated share of  
 2 actual costs is \$10,325,406. For the rate period, July 1, 2011 through June 30, 2012, the  
 3 South Carolina allocated share of forecasted costs is \$15,121,369. The total of  
 4 jurisdictionally allocated actual and forecasted costs is \$25,446,775.

5 A summary of the costs associated with the Company's recovery request is provided in the  
 6 following table by period and by DSM/EE measure.

Program / Measure	Test Period	Rate Period	Total
	4-1-10 thru 3-31-11	7-1-11 thru 6-30-12	For the Periods 4-1-10 thru 3-31-11 7-1-11 thru 6-30-12
<b>Demand-Side Management Programs</b>			
DSDR Implementation	\$ 2,501,150	\$ 4,369,207	\$ 6,870,357
CIG DR	167,995	387,915	555,910
EnergyWise™	1,471,414	1,778,625	3,250,039
<b>Energy Efficiency Programs</b>			
Residential Home Advantage	\$ 212,488	\$ 308,667	\$521,155
Residential Home Energy Improvement	1,284,319	1,258,379	2,542,698
Residential Low Income - NES	327,048	362,271	689,319
Residential Lighting	1,560,060	2,306,874	3,866,934
Residential Appliance Recycling	228,151	375,120	603,271
EE Benchmarking	22,114	257,307	279,421
CIG Energy Efficiency	1,512,362	2,113,670	3,626,031
Residential Solar Water Heating Pilot	29,055	1,410	30,465
Pilot CFL Program	34,450	10,473	44,923
<b>A&amp;G and Carrying Costs</b>			
A&G	\$ 357,060	\$ 380,719	\$ 737,779
Carrying Cost on Balances	617,739	1,210,732	1,828,471
Total Cost	\$ 10,325,406	\$ 15,121,369	\$ 25,446,775

7 In addition to the summary table above, a further breakdown by cost element is provided  
 8 on attached Evans Exhibit No. 1.

9 **Q. ARE THE COMPANY'S PROPOSED RATES DESIGNED TO RECOVER**  
 10 **\$25,446,775?**

1 A. No, since many of the expenses incurred to develop and implement the Company's DSM  
2 and EE programs produce benefits covering several years, those expenses pursuant to item  
3 (c)(1) of the Stipulation, will be deferred, and recovered over a ten year period. There are  
4 exceptions to PEC's reliance on ten-year recovery periods. As a part of its Residential  
5 Lighting Program application, PEC requested that it be allowed to employ a five-year  
6 recovery period for the recoupment of costs deferred for the program. As a part of its  
7 Residential Energy Efficiency Benchmarking Program, PEC requested current period, non-  
8 deferred recoveries of its program expenses. The shorter recovery periods associated with  
9 these programs are more reflective of their anticipated beneficial measure lives. As a  
10 result of these deferrals and the recovery of DSM/EE revenues during the test period, the  
11 Company's rates for this proceeding are designed to recover revenues totaling \$9,159,661.  
12 Details associated with the development of this amount are provided on Evans Exhibit Nos.  
13 1 and 2.

14 **Q. HOW MUCH REVENUE WAS RECOVERED DURING THE TEST PERIOD?**

15 A. PEC billed its customers \$5,197,244 during the test period. This amount is used to offset  
16 DSM/EE expenses realized through the end of the test period in the amount of \$4,962,529.  
17 As illustrated on Evans Exhibit 2, these amounts, adjusted for the prior period balance of  
18 \$278,080 and current period adjustments totaling \$5,556, net to an over-recovery of  
19 DSM/EE amounts totaling \$518,351 at March 31, 2011. This remainder when added to the  
20 forecasted rate period recovery requirements, totals \$9,159,661, the amount requested in  
21 this proceeding.



1 **JURISDICTIONAL COST ALLOCATION**

2 **Q. HOW ARE DSM AND EE PROGRAM COSTS ALLOCATED TO THE SOUTH**  
3 **CAROLINA RETAIL JURISDICTION?**

4 A. PEC first reviews all costs to be recovered and separates them into four categories: (1) EE-  
5 related costs, (2) DSM-related costs, (3) costs that provide a system benefit in support of  
6 both EE and DSM programs, and (4) DSDR related costs. For each of these categories,  
7 different allocation methods are employed to assign those costs to the appropriate  
8 jurisdiction.

9 **Q. PLEASE ELABORATE ON THE METHODOLOGY USED TO ALLOCATE**  
10 **DSM/EE COSTS THAT OFFER A SYSTEM BENEFIT.**

11 A. Common Administrative and General (A&G) Costs, associated with the programs, provide  
12 a system benefit in support of both EE and DSM programs. Since A&G costs relate to both  
13 EE and DSM, A&G amounts are divided into both categories. The division of these costs  
14 into either the EE or DSM category is based upon the percentage of each type of  
15 expenditure anticipated during the next forecast calendar year. For example, if 30% of  
16 these costs in the forecast period are EE-related, then 30% of the A&G costs will be  
17 considered as EE-related costs for allocation purposes. The use of a forecast period  
18 recognizes the types of new programs PEC will offer in the immediate future that will be  
19 supported by these administrative costs. The assignment of A&G costs as being either EE  
20 or DSM related is reviewed annually each June based upon forecasted costs for the next  
21 calendar year. The A&G costs provided for in this proceeding have been assigned to these  
22 categories based upon forecasted DSM and EE costs for 2011.

1 **Q. ON EVANS EXHIBITS 1 AND 2, THE DSDR PROGRAM IS SEPARATED FROM**  
2 **THE OTHER DSM AND EE PROGRAMS. HOW IS THE DSDR PROGRAM**  
3 **CLASSIFIED?**

4 A. The DSDR Program has been classified, for purposes of ratemaking, as a DSM program.  
5 Due to the scope and nature of this program, its costs are being tracked separately. This  
6 separate tracking includes both direct costs and A&G costs associated with the program.

7 **Q. HOW ARE COSTS IDENTIFIED AS EE-RELATED ALLOCATED TO THE**  
8 **JURISDICTION?**

9 A. Any program costs that are identified as being EE-related, including A&G costs, are  
10 allocated to SC retail based upon the ratio, at the meter, of SC retail sales to PEC system  
11 retail sales. The allocation percentage is updated each May, and is based on the prior  
12 calendar year usage data.

13 **Q. HOW ARE COSTS IDENTIFIED AS DSM-RELATED ALLOCATED TO THE**  
14 **JURISDICTION?**

15 A. Any program costs that are identified as being DSM or DSDR-related, including assigned  
16 A&G costs, are allocated to SC retail based upon the ratio of the SC retail demand to the  
17 PEC system retail demand at the hour of the annual system peak. The allocation  
18 percentage is updated each May, and is based on the prior calendar year demand data.

19 **UTILITY INCENTIVES AND NET LOST REVENUES**

20 **Q. HOW WERE THE UTILITY INCENTIVES CALCULATED?**

21 A. As stated earlier, the PPI is calculated pursuant to section (e) of the Stipulation, based on  
22 the savings achieved by DSM/EE programs as measured by the Utility Cost Test (“UCT”).

1 The amount of the PPI initially to be recovered for a given measurement unit and vintage  
2 year shall be equal to eight percent of the UCT for DSM programs and measures and  
3 thirteen percent of the UCT for EE programs and measures. Estimated net savings are  
4 determined by multiplying the number of measurement units projected to be installed  
5 specific to a program or measure in a vintage year by the most current estimates of the  
6 annual per installation kW and kWh savings over the measurement unit's life and by the  
7 most current estimates of the annual kW and kWh avoided costs, subtracting the estimated  
8 utility costs over the measurement unit's life related to the projected installations in that  
9 vintage year and discounting the result to determine a net present value.

10 The PPI for the initial vintage was converted into a stream of ten (10) levelized annual  
11 payments, accounting for and incorporating PEC's overall weighted average net-of-tax rate  
12 of return approved in the Company's most recent general rate case as the appropriate  
13 discount rate. Pursuant to item (e)(11) of the Stipulation, PPI recoveries are subject to true-  
14 up on the basis on future measurement and verification results.

15 **Q. HOW WERE THE NET LOST REVENUES DETERMINED?**

16 Net lost revenues, which are applicable to both DSM and EE programs, are determined by  
17 multiplying the estimated reduction in sales associated with a measure by a margin based  
18 net lost revenue rate. While subject to a few nuances, the following formula embraces the  
19 essence of the adjustment.

$$20 \quad \text{NET LOST REVENUES} = \text{LOST SALES} \times \text{NET LOST REVENUE RATE}$$

21 Lost Sales are those sales that do not occur by virtue of employing the DSM / EE measures.  
22 These values are initially based on engineering estimates and/or past impact evaluations,

1 with future periods based on updated impact evaluations conducted through the  
2 measurement and verification (M&V) activities and applied prospectively and in  
3 conjunction with applicable net lost revenue true-ups. The Net Lost Revenue Rate, itself,  
4 represents the difference between the average retail rate applicable to the customer class  
5 impacted by the measure and (1) the embedded gross receipts taxes, (2) the related average  
6 customer charge component of that rate, (3) the average fuel component of the rate, (4) the  
7 incremental variable O&M rate as approved in the Company's last CSP tariff, and (5) the  
8 impact of the uncollectibles adjustment. When multiple customer classes are impacted by a  
9 DSM / EE measures, as with the DSDR program, a weighted or system wide net lost  
10 revenue rate is employed.

11 Pursuant to item (d)(6) of the Stipulation, net lost revenues are recoverable for only the first  
12 36-months of an installed measure's life and comparable to the PPI, recoveries are subject  
13 to true-up on the basis on future measurement and verification results.

14 **Q. ARE ALL PROGRAMS ELIGIBLE FOR PROGRAM PERFORMANCE**  
15 **INCENTIVES AND THE RECOUPMENT OF NET LOST REVENUES?**

16 A. No. PPI amounts were not calculated for PEC's DSDR, Residential Low Income, or  
17 Residential Solar Hot Water Heating programs. Net lost revenue recoupment was not  
18 applied to PEC's Residential Solar Hot Water Heating Program. While PEC's DSDR  
19 program is eligible for net lost revenue recovery, PEC did not request recovery in this  
20 filing. For PEC programs that consist of event driven measures (e.g., EnergyWise<sup>TM</sup>, CIG  
21 Demand Response and DSDR), in which revenue losses are a function of their deployment  
22 that cannot be accurately predicted in advance, net lost revenue recoveries will be  
23 requested based on their actual, as opposed to estimated, deployment. Thus, while PEC has

1 not requested net lost revenue recoveries for these programs during the forecast period,  
 2 PEC has requested recoveries for the actual test period activations of its Residential  
 3 EnergyWise™ and CIG Demand Response programs.

4 **RATE DEVELOPMENT**

5 **Q. ONCE ALL RELEVANT COSTS ARE ALLOCATED TO SOUTH CAROLINA**  
 6 **AND IDENTIFIED AS BEING EITHER DSM/EE RELATED, HOW ARE RATES**  
 7 **ESTABLISHED?**

8 A. PEC schedules are designed to establish three natural rate groups: Residential, General  
 9 Service and Lighting.

10 **Q. CAN YOU IDENTIFY THE RATE TARIFFS THAT FALL WITHIN EACH RATE**  
 11 **CLASS?**

12 A. The following table lists the schedules and riders proposed within each rate class:

<b>RESIDENTIAL</b>	<b>GENERAL SERVICE</b>			<b>LIGHTING</b>
	Small General Service	Medium General Service	Large General Service	
RES R-TOUD R-TOUE	SGS TSS TFS	MGS SGS-TOU SI SGS-TES CSE, CSG GS & Rider SS (less than 1 MW)	LGS LGS-TOU LGS-CUR-TOU LGS-RTP & Rider SS (1 MW & Greater)	ALS SLS SLR SFLS

13 **COST ALLOCATION METHODOLOGY**

14 **Q. HOW ARE EE AND DSM RELATED COSTS ALLOCATED TO EACH RATE**  
 15 **CLASS?**

16 A. Costs are assigned to customer classes based on program design and participation. In other  
 17 words, costs are assigned to customer groups that are directly benefitted by the programs.

1 Using this method, residential program costs are allocated solely to residential customers,  
2 general service program costs are allocated solely to general service customers, and  
3 lighting program costs are allocated solely to lighting customers. Where programs benefit  
4 multiple customer groups, the costs are allocated to benefitted groups using appropriate  
5 annual energy and/or coincident peak demand based allocation factors.

6 **Q. HOW ARE ANNUAL ENERGY ALLOCATIONS ADJUSTED FOR THE IMPACT**  
7 **OF “OPT-OUT” CUSTOMERS?**

8 A. Rate Class energy allocation factors were developed assuming that the percentage of  
9 General Service customer usage “Opted-out” at the end of the test period will continue  
10 throughout the rate period. To the extent that actual “Opt-Out” levels diverge from this  
11 percentage, recovery variations will be reconciled in subsequent DSM/EE rider true-ups.

12 Estimated commercial and industrial sales forecasted to “Opt-Out” of the DSM/EE rate are  
13 provided in Evans Exhibit No. 3.

14 **Q. THE SALES FOR “OPT-OUT” CUSTOMERS ARE EASILY IDENTIFIED, BUT**  
15 **HOW IS THE COINCIDENT PEAK OF THESE CUSTOMERS ESTIMATED?**

16 A. As previously noted, commercial customers with annual consumption of 1,000,000 kWh or  
17 greater in the billing months of the prior calendar year and all industrial customers may  
18 elect not to participate in PEC's demand-side management and energy efficiency programs.  
19 PEC reviewed its billing records and based upon the current “Opt-Out” rate, anticipates  
20 that, 2,286,169,287 kWh would not be subject to billing for the twelve month period  
21 ending June 30, 2012.

1 Currently installed metering for these customers does not provide usage data at the system  
2 peak hour; therefore, this impact is estimated based upon the ratio of “opt-out” sales to total  
3 sales for the rate class times the rate class peak demand. This approach should accurately  
4 approximate the demand of “opt-out” accounts.

5 **Q. AFTER ADJUSTING ENERGY AND DEMAND FOR “OPT-OUT” CUSTOMERS,**  
6 **ARE THE RESULTING ALLOCATION FACTORS THEN USED TO**  
7 **DETERMINE REVENUE REQUIREMENTS FOR EACH RATE CLASS?**

8 A. The energy and demand based allocators are employed in cases where programs or  
9 measures directly benefit multiple rate groups. Given that a DSM or EE program  
10 benefiting multiple rate groups is present, EE costs would be multiplied by Rate Class  
11 energy allocation factors and any associated DSM costs would be multiplied by Rate Class  
12 demand allocation factors for purposes of cost assignment.

13 The energy allocation rate class factors were developed from the forecasted rate class  
14 usage, after subtracting sales for “Opt-Out” customers. The energy allocation factors  
15 applicable to each rate class based upon the forecast of rate class sales for the recovery  
16 period of July 2011 through June 2012 are provided in Evans Exhibit No. 4.

17 The demand allocation rate class factors are based on the summer coincident peak demand  
18 for 2010, after subtracting the estimated demand for “Opt-Out” customers as discussed  
19 above. The forecast does not provide rate class coincident peak demands; therefore, the  
20 most recent historic data was deemed to be representative of future demand impacts. The  
21 demand allocation factors applicable to each rate class are provided in Evans Exhibit No. 5.

22 **Q. DO ANY OF THE COMPANY’S PROGRAMS OR MEASURES BENEFIT**  
23 **MULTIPLE CUSTOMER CLASSES?**

1 A. Yes. The Company's DSDR DSM program benefits multiple customer classes. To  
2 allocate DSDR costs, the Rate Class demand allocation factors are employed.

3 **Q. HOW ARE RATE CLASS DSM/EE RATES ESTABLISHED?**

4 A. The calculated rate class EE and DSM revenue requirements are divided by rate class sales,  
5 after adjustment for "Opt-Out" customers, to establish the rate class DSM/EE rate. Evans  
6 Exhibit No. 6 provides the derivation of the Energy Efficiency Rate. Evans Exhibit No. 7  
7 provides the derivation of the Demand Side Management Rate.

8 **Q. WERE PEC'S ESTIMATES OF DISCOUNTED RESIDENTIAL SALES AND**  
9 **UNCOLLECTIBLE BILLINGS CONSISTENT WITH ACTUAL RESULTS?**

10 A. Company estimates were fairly consistent with actual results. The Company's estimated  
11 Residential Service Energy Conservation Discount ("RECD") based adjustment factor of  
12 0.8122% was slightly higher than the resulting actual 0.7994%. The actual impact of  
13 RECD discounted revenues is reflected within PEC's test period revenues. The actual  
14 residential uncollectible rate for the period, 0.7019%, was somewhat higher than the  
15 estimated value of 0.6407%. This difference resulted in an under-collection of \$2,224.  
16 The last of these adjustment factors, the general service uncollectible rate associated with  
17 the test period of 0.0593%, was less than the estimated value of 0.0791%. This difference  
18 resulted in an over-collection of \$310. The revised amounts are employed as gross-up  
19 factor components used on Evans Exhibit No. 8. The dollar adjustments were used on  
20 Evans Exhibit No. 2 to arrive at the residual revenue requirement at the end of the test  
21 period, March 31, 2011.



1 **Q. WHERE ANY ADDITIONAL ADJUSTMENTS APPLIED TO THE TEST**  
2 **PERIOD?**

3 A. Yes, as a result of the measurement and verification of the 2009 vintage of PEC's  
4 Residential Home Energy Improvement Program (HEIP), it was determined that previously  
5 calculated PPI values and deemed energy savings were in excess of those based on verified  
6 values. The recalculated annual PPI recovery was \$7,050 less than the amount recognized  
7 in the prior test period. As a result, the current test period revenue requirement was  
8 reduced by \$7,050 as reflected on Evans Exhibit No. 2.

9 The verified HEIP energy savings were less than those employed in the calculation of net  
10 lost revenues. As a result, the net lost revenue related requirements for the current test  
11 period have been reduced by the prior overstatement, 243 MWH. This reduction in lost  
12 sales produces a \$14,215 reduction in the test period revenue requirement. These  
13 adjustments, coupled with their prospective recognition, effectively finalize values  
14 associated with the 2009 vintage of PEC's Residential Home Energy Improvement  
15 Program.

16 **Q. WHAT RATES ARE PROPOSED FOR EACH RATE CLASS?**

17 A. Evans Exhibit No. 9 calculates the DSM/EE annual rates proposed in this proceeding. The  
18 DSM/EE rates recover costs forecasted to be incurred during July 1, 2011 through June 30,  
19 2012 and the actual costs incurred through March 31, 2011, net of test period recoveries.  
20 PEC proposes the following rates, exclusive of gross receipts taxes and SC Regulatory  
21 Fees, for each rate class (shown in cents per kWh):

Rate Class	DSM Rate	EE Rate	Adjustment*	DSM/EE Annual Rider**
Residential	0.1254	0.1710	0.0045	0.301
General Service	0.0654	0.0732	0.0001	0.139
Lighting	0.0000	0.0000	0.0000	0.000

\* Adjustment for uncollectible billings and Residential RECD discount

\*\*Billing Rates are rounded to the nearest thousandth of a cent

- 1 The proposed billing rates, including gross receipts taxes and SC Regulatory Fees for each  
2 class are provided in the following table (shown in cents per kWh):

Rate Class	DSM /EE Rate
Residential	0.302¢/kWh
General Service	0.140¢/kWh
Lighting	0.000¢/kWh

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 A. Yes.

# South Carolina Retail - DSM/EE Revenue Requirements Summary

## A. Test Period

SOUTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY															
O&M	Insurance	A&G Expense	Capitalized O&M and A&G	Current Period Amortization	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & NLR	Net Lost Revenue	PPI	Total Revenue Requirement
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
			ΣCols(1)thru(3)							ΣCols(5)thru(12)			ΣCols(13)thru(15)		
<b>SC DSM Program Expenses</b>															
1	CIG DR	Per Books	\$ 158,098	\$ -	\$ 158,098	\$ 15,810	\$ 8,275			\$ -	\$ -	\$ 24,085	\$ 685	\$ 9,212	\$ 33,982
2	EnergyWise	Per Books	1,384,322	-	1,384,322	138,432	109,897			-	-	248,329	1,292	85,800	335,421
3	Total DSM	Σ Lines 1 thru 2	\$ 1,542,420	\$ -	\$ 1,542,420	\$ 154,242	\$ 118,172			\$ -	\$ -	\$ 272,414	\$ 1,977	\$ 95,013	\$ 369,403
4	DSM Assigned to A&G Cost	Per Books		119,294	119,294	11,929	24,926			120,579	45,146	202,580	-	-	202,580
5	Total DSM and Assigned Cost	Σ Lines 3 thru 4	\$ 1,542,420	\$ 119,294	\$ 1,661,714	\$ 166,171	\$ 143,098			\$ 120,579	\$ 45,146	\$ 474,994	\$ 1,977	\$ 95,013	\$ 571,983
<b>SC EE Program Expenses</b>															
6	Res Home Advantage	Per Books	\$ 184,768	\$ -	\$ 184,768	\$ 18,477	\$ 19,691			\$ -	\$ -	\$ 38,168	\$ 20,832	\$ 6,888	\$ 65,889
7	Res Home Energy Improvem't	Per Books	1,222,405	-	1,222,405	122,241	69,704			-	-	191,945	45,485	16,429	253,859
8	Residential Low Income	Per Books	294,637	-	294,637	29,464	12,735			-	-	42,199	32,411	-	74,610
9	CIG Energy Efficiency	Per Books	1,074,827	-	1,074,827	107,483	83,626			-	-	191,109	307,764	129,771	628,644
10	Solar Hot Water Pilot	Per Books	29,055	-	29,055	2,906	2,295			-	-	5,201	-	-	5,201
11	Residential Lighting <sup>1</sup>	Per Books	970,544	-	970,544	194,109	35,481			-	-	229,590	512,739	76,778	819,106
12	Res Appliance Recycling	Per Books	202,421	-	202,421	20,242	1,320			-	-	21,562	21,881	3,849	47,292
13	Res EE Benchmarking <sup>1</sup>	Per Books	22,114	-	22,114	-	-			-	-	22,114	-	-	22,114
14	Home Depot CFL	Per Books	-	-	-	-	2,140			-	-	2,140	23,977	10,473	36,590
15	Total EE	Σ Lines 6 thru 14	\$ 4,000,771	\$ -	\$ 4,000,771	\$ 517,036	\$ 226,992			\$ -	\$ -	\$ 744,028	\$ 965,089	\$ 244,188	\$ 1,953,305
16	EE Assigned A&G and Carrying Cost	Per Books		234,262	234,262	23,426	42,885			236,659	88,730	391,700	-	-	391,700
17	Total EE and Assigned Cost	Σ Lines 15 thru 16	\$ 4,000,771	\$ 234,262	\$ 4,235,033	\$ 540,462	\$ 269,877			\$ 236,659	\$ 88,730	\$ 1,135,728	\$ 965,089	\$ 244,188	\$ 2,345,005
<b>SC DSDR Program Expenses</b>															
18	DSDR Program	Per Books	\$ 731,264	\$ 62,617	\$ -	\$ 793,881	\$ 79,388	\$ 90,053	\$ 794,279	\$ 291,422	\$ 105,694	\$ 515,874	\$ 92,175	\$ 34,450	\$ 2,003,335
19	DSDR A&G and Carrying Cost	Per Books			3,504	3,504	350	41,856				42,206	-	-	42,206
20	Total DSDR and Assigned Cost	Σ Lines 18 thru 19	\$ 731,264	\$ 62,617	\$ 3,504	\$ 797,385	\$ 79,738	\$ 131,909	\$ 794,279	\$ 291,422	\$ 105,694	\$ 515,874	\$ 92,175	\$ 34,450	\$ 2,045,541
21	Test Period Totals	Lines 5 + 17 + 20	\$ 6,274,455	\$ 62,617	\$ 357,060	\$ 6,694,132	\$ 786,371	\$ 544,884	\$ 794,279	\$ 291,422	\$ 105,694	\$ 515,874	\$ 449,413	\$ 168,326	\$ 3,656,263

<sup>1</sup> Current Residential EE Benchmarking Program costs are recovered during the current period. Residential Lighting costs are recovered over a 5 year period. All other EE program costs are recovered over a 10 year period.

# South Carolina Retail - DSM/EE Revenue Requirements Summary

## B. Rate Period

July 2011 through June 2012

SOUTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY																		
	O&M	Insurance	A&G Expense	Capitalized O&M and A&G	Current Period Amortization	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & NLR	Net Lost Revenue	PPI	Total Revenue Requirement		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)		
	ΣCols(1)thru(3)			ΣCols(4)thru(6)			ΣCols(7)thru(10)			ΣCols(11)thru(12)			ΣCols(13)thru(15)					
<b>SC DSM Program Expenses</b>																		
1	CIG DR	Per Forecast	\$ 359,923	\$ -	\$ 359,923	\$ 35,992	24,085				\$ -	\$ -	\$ 60,077	\$ -	\$ 27,992	\$ 88,069		
2	EnergyWise	Per Forecast	1,630,393	-	1,630,393	163,039	248,329				-	-	411,368	-	148,232	559,600		
3	Total DSM	Σ Lines 1 thru 2	\$ 1,990,316	\$ -	\$ 1,990,316	\$ 199,031	\$ 272,414				\$ -	\$ -	\$ 471,445	\$ -	\$ 176,224	\$ 647,669		
4	DSM Assigned to A&G Cost	Per Books		128,462	128,462	12,846	36,855				238,449	93,272	381,422	-	-	381,422		
5	Total DSM and Assigned Cost	Σ Lines 3 thru 4	\$ 1,990,316	\$ 128,462	\$ 2,118,778	\$ 211,877	\$ 309,269				\$ 238,449	\$ 93,272	\$ 852,867	\$ -	\$ 176,224	\$ 1,029,091		
<b>SC EE Program Expenses</b>																		
6	Res Home Advantage	Per Forecast	\$ 237,832	\$ -	\$ 237,832	23,783	38,168				\$ -	\$ -	\$ 61,951	\$ 53,371	\$ 17,464	132,786		
7	Res Home Energy Improvem't	Per Forecast	1,102,843	-	1,102,843	110,284	191,945				-	-	302,229	120,129	35,407	457,765		
8	Residential Low Income	Per Forecast	284,385	-	284,385	28,439	42,199				-	-	70,638	77,886	-	148,524		
9	CIG Energy Efficiency	Per Forecast	1,164,301	-	1,164,301	116,430	191,109				-	-	307,539	675,499	273,869	1,256,908		
10	Solar Hot Water Pilot	Per Forecast	1,410	-	1,410	141	5,201				-	-	5,342	-	-	5,342		
11	Residential Lighting <sup>1</sup>	Per Forecast	869,197	-	869,197	173,839	229,590				-	-	403,429	1,279,297	158,380	1,841,106		
12	Res Appliance Recycling	Per Forecast	276,456	-	276,456	27,646	21,562				-	-	49,208	88,693	9,971	147,872		
13	Res EE Benchmarking <sup>1</sup>	Per Forecast	135,308	-	135,308	135,308	-				-	-	135,308	120,550	1,448	257,307		
14	Home Depot CFL	Per Forecast	-	-	-	-	2,140				-	-	2,140	-	10,473	12,613		
15	Total EE	Σ Lines 6 thru 14	\$ 4,071,732	\$ -	\$ 4,071,732	\$ 615,870	\$ 721,914				\$ -	\$ -	\$ 1,337,784	\$ 2,415,426	\$ 507,012	\$ 4,260,223		
16	EE Assigned to A&G Cost	Per Books		252,257	252,257	25,226	66,311				484,189	189,396	765,122	-	-	765,122		
17	Total EE and Assigned Cost	Σ Lines 15 thru 16	\$ 4,071,732	\$ 252,257	\$ 4,323,989	\$ 641,096	\$ 788,225				\$ 484,189	\$ 189,396	\$ 2,102,906	\$ 2,415,426	\$ 507,012	\$ 5,025,345		
<b>SC DSDR Program Expenses</b>																		
18	DSDR Program	Per Forecast	\$ 1,182,331	\$ 109,562	\$ -	\$ 1,291,893	\$ 129,189	169,441	\$ 1,285,434	\$ 650,668	\$ 236,206	\$ 905,006	\$ 147,665	\$ 57,761	\$ 3,581,370	\$ -	\$ -	\$ 3,581,370
19	DSDR Assigned to A&G Cost	Per Forecast			-	-	42,206						42,206	-	-	42,206		
20	Total DSDR and Assigned Cost	Σ Lines 18 thru 19	\$ 1,182,331	\$ 109,562	\$ -	\$ 1,291,893	\$ 129,189	\$ 211,647	\$ 1,285,434	\$ 650,668	\$ 236,206	\$ 905,006	\$ 147,665	\$ 57,761	\$ 3,623,576	\$ -	\$ -	\$ 3,623,576
21	Rate Period Totals	Lines 5 + 17 + 20	\$ 7,244,379	\$ 109,562	\$ 380,719	\$ 7,734,660	\$ 982,162	\$ 1,309,141	\$ 1,285,434	\$ 650,668	\$ 236,206	\$ 905,006	\$ 870,303	\$ 340,429	\$ 6,579,349	\$ 2,415,426	\$ 683,237	\$ 9,678,012

<sup>1</sup>Current Residential EE Benchmarking Program costs are recovered during the current period. Residential Lighting costs are recovered over a 5 year period. All other EE program costs are recovered over a 10 year period.

**PROGRESS ENERGY CAROLINAS, INC.**

## Determination of Net Revenue Requirement for Test Period

		Residential	General Service	Lighting	Total
<b>1</b>	<b>Prior Period Recovery Balance at March 31, 2010</b>				
2	Energy Efficiency Programs <i>Docket No. 2010-161-E</i>	\$ 97,372.65	\$ (11,730.23)	\$ -	\$ 85,642.42
3	Demand Side Management Programs <i>Docket No. 2010-161-E</i>	(53,788.71)	(5,123.11)	-	(58,911.82)
4	DSDR Program Expenses <i>Docket No. 2010-161-E</i>	(165,758.90)	(139,051.65)	-	(304,810.55)
5	Balance - Prior (Over) or Under Collection <i>Lines 2 + 3 + 4</i>	\$ (122,174.96)	\$ (155,904.99)	\$ -	\$ (278,079.95)
6					
7	<b>Current Period Cost of Service (4-01 to 3-11)</b>				
8	Energy Efficiency Programs <i>Exhibit 1 (Page 1 of 2)</i>	\$ 552,919.17	\$ 191,109.00	\$ -	\$ 744,028.17
9	E E A&G and Carrying Cost Allocation <i>Exhibit 1 (Page 1 of 2)</i>	291,089.03	100,610.97	-	391,700.00
10	E E PPI and Net Lost Revenues <i>Exhibit 1 (Page 1 of 2)</i>	771,742.34	437,534.69	-	1,209,277.03
11	Total Energy Efficiency Cost of Service <i>Lines 8 + 9 + 10</i>	\$ 1,615,750.54	\$ 729,254.66	\$ -	\$ 2,345,005.20
12					
13	Demand Side Management Programs <i>Exhibit 1 (Page 1 of 2)</i>	\$ 248,329.00	\$ 24,085.00	\$ -	\$ 272,414.00
14	DSM A&G and Carrying Cost Allocation <i>Exhibit 1 (Page 1 of 2)</i>	184,669.25	17,910.75	-	202,580.00
15	DSM PPI and Net Lost Revenues <i>Exhibit 1 (Page 1 of 2)</i>	87,092.37	9,896.73	-	96,989.10
16	Total DSM Cost of Service <i>Lines 13 + 14 + 15</i>	520,090.62	51,892.48	-	571,983.10
17					
18	DSDR Program <i>Exhibit 1 (Page 1 of 2)</i>	\$ 1,228,548.62	\$ 774,786.38	\$ -	\$ 2,003,335.00
19	DSDR A&G and Carrying Cost Allocation <i>Exhibit 1 (Page 1 of 2)</i>	25,882.90	16,323.10	-	42,206.00
20	DSDR Net Lost Revenues <i>Exhibit 1 (Page 1 of 2)</i>	-	-	-	-
21	Total DSDR Cost of Service <i>Lines 18 + 19 + 20</i>	\$ 1,254,431.52	\$ 791,109.48	\$ -	\$ 2,045,541.00
22					
23	Cost of Service for 12 ME 3-31-11 <i>Line 11 + Line 16 + Line 21</i>	\$ 3,390,272.68	\$ 1,572,256.62	\$ -	\$ 4,962,529.30
24					
25	<b>Cost of Service &amp; Prior Bal at March 31, 2011</b>				
26	Energy Efficiency Programs <i>Line 2 + Line 11</i>	\$ 1,713,123.19	\$ 717,524.43	\$ -	\$ 2,430,647.62
27	Demand Side Management Programs <i>Line 3 + Line 16</i>	466,301.90	46,769.37	-	513,071.27
28	DSDR Program <i>Line 4 + Line 12</i>	1,088,672.63	652,057.83	-	1,740,730.45
29	Total Net COS Before Revenue Offsets <i>Lines 26 + 27 + 28</i>	\$ 3,268,097.72	\$ 1,416,351.63	\$ -	\$ 4,684,449.35
30					
31	<b>Actual Revenue (4-10 to 3-11)</b>				
32	EE Revenue <i>Per Books see W/P R-2</i>	\$ 1,643,973.36	\$ 660,036.68	\$ -	\$ 2,304,010.04
33	DSM Revenue <i>Per Books see W/P R-2</i>	492,101.87	76,716.07	-	568,817.94
34	DSDR Revenue <i>Per Books see W/P R-2</i>	1,497,257.65	827,158.43	-	2,324,416.08
35	Total Test Period Revenue (4-10 to 3-11) <i>Lines 32 + 33 + 34</i>	\$ 3,633,332.88	\$ 1,563,911.18	\$ -	\$ 5,197,244.06
36					
37	<b>Adjustments</b>				
38	Vintage 2009 Res HEIP M&V PPI True-Up <i>See W/P D-5</i>	\$ (7,469.84)	\$ -	\$ -	\$ (7,469.84)
39	Uncollectible - Energy Efficiency <i>See W/P B-6</i>	1,006.11	(130.69)	-	875.42
40	Uncollectible - Demand Side Management <i>See W/P B-6</i>	301.17	(15.19)	-	285.98
41	Uncollectible - DSDR <i>See W/P B-6</i>	916.32	(163.78)	-	752.54
42	Total Adjustments <i>Lines 38 + 39 + 40 + 41</i>	\$ (5,246.24)	\$ (309.66)	\$ -	\$ (5,555.90)
43					
44	<b>Revenue Requirement at March 31, 2010</b>				
45	EE Portion of Revenue Requirement <i>Lines 26 - 32 + 38 + 39</i>	\$ 62,686.10	\$ 57,357.06	\$ -	\$ 120,043.16
46					
47	DSM Portion of Revenue Requirement <i>Lines 27 - 33 + 40</i>	\$ (25,498.80)	\$ (29,961.89)	\$ -	\$ (55,460.69)
48	DSDR Portion of Revenue Requirement <i>Lines 28 - 34 + 41</i>	(407,668.70)	(175,264.38)	-	(582,933.09)
49	Total DSM/DSDR Portion of Revenue Rqmt <i>Lines 47 + 48</i>	\$ (433,167.50)	\$ (205,226.27)	\$ -	\$ (638,393.77)
50					
51	<b>Total Net Test Period Revenue Requirement</b> <i>Line 45 + Line 49</i>	\$ (370,481.40)	\$ (147,869.21)	\$ -	\$ (518,350.61)
52	Forecasted Rate Period Revenue Requirement <i>Exhibit 2 (Page 2 of 2)</i>				9,678,011.92
53	<b>Referenced Rate Period Recovery Level</b> <i>Lines 51 + 52</i>				\$ 9,159,661.30

PROGRESS ENERGY CAROLINAS, INC.  
Annual DSM/EE Opt-Out Sales Estimate for SC Customers  
Annual Sales for the Year Ended June, 2012

Rate Class	Opt-Out KWHs <sup>(1)</sup>
Residential	0
General Service	2,283,226,881
Lighting	2,942,406
Total Estimated Opt-Out Sales	2,286,169,287

**NOTES:**

(1) Opt-Out kWh estimates are based on actual opt-out quantities occurring during the twelve-month period ending March 31, 2011.

PROGRESS ENERGY CAROLINAS, INC.

Energy Allocation Factors - Applicable to EE Program Costs

South Carolina Rate Class Energy Allocation Factors

Rate Class	Total SC Rate Class Sales (MWhrs) <sup>(1)</sup> (1)	Opt-Out Sales <sup>(2)</sup> (2)	Adjusted SC Rate Class MWhr Sales (3) = (1) - (2)	Rate Class Energy Allocation Factor (4) = (3) / SC Total in Column 3
Residential	2,137,681	0	2,137,681	50.13%
General Service	4,319,688	2,283,227	2,036,461	47.76%
Lighting	92,921	2,942	89,978	2.11%
SC Retail	6,550,290	2,286,169	4,264,121	100.00%

**NOTES:**

(1) Total SC Rate Class Sales (MWhrs) are for the forecasted year ended June 2012.

(2) Opt-Out sales are provided in Evans Exhibit No. 3

**PROGRESS ENERGY CAROLINAS, INC.**  
Demand Allocation Factors - Applicable to DSM Programs

**South Carolina Rate Class Demand Allocation Factors**

Rate Class	Total SC Rate Class Sales <sup>(1)</sup> (1)	Sales Subject to Opt-Out <sup>(2)</sup> (2)	Rate Class Demand <sup>(3)</sup> (3)	Revised Rate Class Demand (4) = ((1 - 2) / 1) * 3 (4)	Rate Class Allocation Factor (5) = (4)/Total of Column 4 (5)
Residential	2,137,681	0	519,138	519,138	61.32517%
General Service	4,319,688	2,283,227	694,463	327,395	38.67483%
Lighting	<u>92,921</u>	<u>2,942</u>	<u>0</u>	<u>0</u>	<u>0.00000%</u>
SC Retail	6,550,290	2,286,169	1,213,601	846,534	100.00000%

**NOTES:**

- (1) Total SC Rate Class Sales (MWHrs) are for the forecasted year ended June 2012.
- (2) Opt-Out sales are provided in Evans Exhibit No. 3
- (3) The CP demands are based on the 2010 Coincident Peak occurring on August 11 during the hour ended at 5 P.M.



PROGRESS ENERGY CAROLINAS, INC.

Energy Efficiency Rate Derivation

SC Rate Class	Adjusted SC Rate Class kWhr Sales <sup>(1)</sup>	Rate Class Energy Allocation Factor <sup>(2)</sup>	EE Revenue Requirements							Total of Allocated Costs (9) = Σ (3 thru 8)	Total EE Rate (10) = (9) / (1)
			Residential Programs <sup>(3)</sup>	CIG Programs <sup>(4)</sup>	Common Programs	Allocated A&G Costs <sup>(5)</sup>	Allocated Carrying Costs <sup>(5)</sup>	Net Test Period Revenue Requirement <sup>(6)</sup>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			
Residential	2,137,681,477	50.13%	\$3,003,315	\$0	\$0	\$70,494	\$518,737	\$62,686	\$3,655,232	\$0.001710	
General Service	2,036,460,918	47.76%	\$0	\$1,256,908	\$0	\$21,043	\$154,848	\$57,357	\$1,490,156	\$0.000732	
Lighting	89,978,436	2.11%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.000000	
SC Retail	4,264,120,831	100%	\$3,003,315	\$1,256,908	\$0	\$91,537	\$673,585	\$120,043	\$5,145,388	\$0.001207	

**NOTES:**

(1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Evans Exhibit No. 4, column (3).

(2) Rate Class Energy Allocation Factor is derived in Evans Exhibit No. 4, column (4).

(3) CFL Pilot, Solar Water Heating Pilot, EE Benchmarking, Res. HEIP, Res. Lighting, Appliance Recycling, Res. Home Advantage and Low Income Program costs are allocated solely to Residential Class.

(4) CIG Energy Efficiency costs are allocated solely to General Service Class.

(5) A&G and Carrying Costs are allocated on the basis of revenue requirements (excluding incentives).

(6) Net Energy Efficiency Revenue Requirements are derived on Evans Exhibit No. 2

PROGRESS ENERGY CAROLINAS, INC.  
Demand Side Management Rate Derivation

SC Rate Class	Adjusted SC Rate Class kWhr Sales <sup>(1)</sup>	Rate Class Demand Allocation Factor <sup>(2)</sup>	DSM Revenue Requirement							
			Residential Programs <sup>(3)</sup>	CIG Programs <sup>(4)</sup>	DSDR <sup>(5)</sup>	Non-DSDR Assigned A&G and Carrying Costs <sup>(6)</sup>	DSDR Assigned A&G and Carrying Costs <sup>(5)</sup>	Net Test Period Revenue Requirement <sup>(7)</sup>	Total of Allocated Costs <small>(9) = Σ (3 thru 8)</small>	Total DSM Rate <small>(10) = (9) / (1)</small>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Residential	2,137,681,477	61.33%	\$559,600	\$0	\$2,070,303	\$332,817	\$151,861	-\$433,168	\$2,681,413	\$0.001254
General Service	2,036,460,918	38.67%	\$0	\$88,069	\$1,305,641	\$48,605	\$95,771	-\$205,226	\$1,332,860	\$0.000654
Lighting	89,978,436	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.000000
SC Retail	4,264,120,831	100.00%	\$559,600	\$88,069	\$3,375,944	\$381,422	\$247,632	-\$638,394	\$4,014,273	\$0.000941

**NOTES:**

- (1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Evans Exhibit No. 4, column (3).
- (2) Rate Class Demand Allocation Factor is derived in Evans Exhibit No. 5, column (5).
- (3) EnergyWise costs are directly assigned solely to Residential Rate Class.
- (4) CIG DR Program costs are directly assigned solely to General Service Class.
- (5) DSDR Costs and assigned A&G and carrying costs are allocated using Rate Class Demand Allocation Factor from column (2).
- (6) Non-DSDR A&G and Carrying Costs are allocated on the basis of revenue requirements (before adjustment for incentives) assigned in columns (3) and (4).
- (7) Net DSM Revenue Requirements are derived on Evans Exhibit No. 2

PROGRESS ENERGY CAROLINAS, INC.  
EE/DSM Billing Rate - July 2011 through June 2012  
Revenue Adjustment Factors

**Residential Adjustment Factor**

1	Billed kWh (12ME 3/31/11)	<i>Per Books</i>	2,361,711,406
2	Billed RECD kWh (12ME 3/31/11)	<i>Per Books</i>	377,603,054 (a)
3	RECD kWh Percent of Total Billed	<i>Line 2 / Line 1</i>	15.9885%
4	RECD Discount Percentage	<i>RECD Discount</i>	<u>5.0000%</u> (b)
5	RECD Impact (Weighted Discount)	<i>Line 3 x Line 4</i>	0.7994% (d)
6	Uncollectable Estimate for Forecast Period	<i>W/P B-6</i>	<u>0.7019%</u> (c)
7	Residential Adjustment Factor for Rate Period	<i>Line 5 + Line 6</i>	<u><u>1.5013%</u></u> (d)

**General Service Adjustment Factor**

8	Uncollectable Estimate for Forecast Period	<i>W/P B-6</i>	<u>0.0593%</u> (c)
9	General Service Adjustment Factor for Rate Period	<i>Line 8</i>	<u><u>0.0593%</u></u> (d)

**Notes:**

- (a) Energy billed and discounted pursuant to Residential Energy Conservation Discount, Rider RECD-2B.
- (b) Five-percent discount provided under Residential Energy Conservation Discount, Rider RECD-2B.
- (c) Estimated incremental level of uncollectables associated with DSM/EE billings.
- (d) Estimated impacts of uncollectable and RECD related discounts will be trued up to actual amounts.

PROGRESS ENERGY CAROLINAS, INC.

EE/DSM Billing Rate - July 2011 through June 2012

All rates are shown in dollars per kWh

**Rates Net of South Carolina Gross Receipts Taxes (GRT) and Regulatory Fee**

SC Rate Class	Total EE Rate (1)	Total DSM Rate (2)	Total DSM/EE Rate (3)	RECD & Uncollectible Adjustment (4)	DSM/EE Rate (5)
Residential	\$0.001710	\$0.001254	\$ 0.002964	\$0.000045	\$0.00301
General Service	0.000732	0.000654	0.001386	0.000001	\$0.00139
Lighting	0.000000	0.000000	0.000000	0.000000	\$0.00000

**Rates Including SC Gross Receipts Taxes at 0.30% and Regulatory Fee at 0.15151%**

SC Rate Class	DSM/EE Rate (net of GRT and Regulatory Fee) (6)	Gross Receipts Tax and Regulatory Fee Adjustment (7)	DSM/EE Billing Rate (8)
Residential	\$0.00301	\$0.00001	\$0.00302
General Service	0.00139	0.00001	0.00140
Lighting	0.00000	0.00000	0.00000

**NOTES:**

- (1) Total EE Rate is derived in Evans Exhibit No. 6, column (10).
- (2) Total DSM Rate is derived in Evans Exhibit No. 7, column (10).
- (3) Total DSM/EE Rate is sum of columns (1) and (2).
- (4) Adjustment factors derived in Evans Exhibit No. 8 applied to column (3)
- (5) DSM/EE Rate is derived from the sum of columns (3) and (4) and rounded to 5 decimal points..
- (6) DSM/EE Billing Rate from column (5)
- (7) Calculated Gross Receipts Tax and Regulatory Fee at the combined rate of 0.45151% on column (6)
- (8) DSM/EE Billing Rate is derived from the sum of columns (6) and (7) and rounded to 5 decimal points.

PROGRESS ENERGY CAROLINAS, INC

# **Demand Side Management and Energy Efficiency Programs**

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# Workpapers

SC Docket No: 2010 - \_\_\_\_ - E

# Workpapers

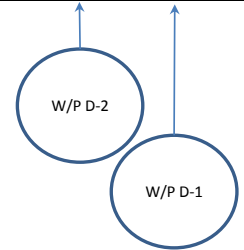
## Section A – Cost Summary & Rate Development (Exhibits)

# South Carolina Retail - DSM/EE Revenue Requirements Summary

## A. Test Period

SOUTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY																
	O&M	Insurance	A&G Expense	Capitalized O&M and A&G	Current Period Amortization	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & NLR	Net Lost Revenue	PPI	Total Revenue Requirement
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
				ΣCols(1)thru(3)							ΣCols(5)thru(12)			ΣCols(13)thru(15)		
<i>April 2010 through March 2011</i>																
<b>SC DSM Program Expenses</b>																
1	CIG DR			\$ 158,098	\$ 15,810	\$ 8,275					\$ -	\$ -	\$ 24,085	\$ 685	\$ 9,212	\$ 33,982
2	EnergyWise			\$ 1,384,322	\$ 138,432	\$ 109,897					\$ -	\$ -	\$ 248,329	\$ 1,292	\$ 85,800	\$ 335,421
3	Total DSM			\$ 1,542,420	\$ 154,242	\$ 118,172					\$ -	\$ -	\$ 272,414	\$ 1,977	\$ 95,013	\$ 369,403
4	DSM Assigned to A&G Cost															
5	Total DSM and Assigned Cost			\$ 1,542,420	\$ 166,171	\$ 143,098					\$ 120,579	\$ 45,146	\$ 474,994	\$ 1,977	\$ 95,013	\$ 571,983
<b>SC EE Program Expenses</b>																
6	Res Home Advantage			\$ 184,768	\$ 18,477	\$ 19,691					\$ -	\$ -	\$ 38,168	\$ 20,832	\$ 6,888	\$ 65,889
7	Res Home Energy Improvem't			\$ 1,222,405	\$ 122,241	\$ 69,704					\$ -	\$ -	\$ 191,945	\$ 45,485	\$ 16,429	\$ 253,859
8	Residential Low Income			\$ 294,637	\$ 29,464	\$ 12,735					\$ -	\$ -	\$ 42,199	\$ 32,411	\$ -	\$ 74,610
9	CIG Energy Efficiency			\$ 1,074,827	\$ 107,483	\$ 83,626					\$ -	\$ -	\$ 191,109	\$ 307,764	\$ 129,771	\$ 628,644
10	Solar Hot Water Pilot			\$ 29,055	\$ 2,906	\$ 2,295					\$ -	\$ -	\$ 5,201	\$ -	\$ -	\$ 5,201
11	Residential Lighting <sup>1</sup>			\$ 970,544	\$ 194,109	\$ 35,481					\$ -	\$ -	\$ 229,590	\$ 512,739	\$ 76,778	\$ 819,106
12	Res Appliance Recycling			\$ 202,421	\$ 20,242	\$ 1,320					\$ -	\$ -	\$ 21,562	\$ 21,881	\$ 3,849	\$ 47,292
13	Res EE Benchmarking <sup>1</sup>			\$ 22,114	\$ 22,114	\$ -					\$ -	\$ -	\$ 22,114	\$ -	\$ -	\$ 22,114
14	Home Depot CFL			\$ -	\$ -	\$ 2,140					\$ -	\$ -	\$ 2,140	\$ 23,977	\$ 10,473	\$ 36,590
15	Total EE			\$ 4,000,771	\$ 517,036	\$ 226,992					\$ -	\$ -	\$ 744,028	\$ 965,089	\$ 244,188	\$ 1,953,305
16	EE Assigned A&G and Carrying Cost															
17	Total EE and Assigned Cost			\$ 4,000,771	\$ 540,462	\$ 269,877					\$ 236,659	\$ 88,730	\$ 1,135,728	\$ 965,089	\$ 244,188	\$ 2,345,005
<b>SC DSDR Program Expenses</b>																
18	DSDR Program			\$ 731,264	\$ 79,388	\$ 90,053	\$ 794,279	\$ 291,422	\$ 105,694	\$ 515,874	\$ 92,175	\$ 34,450	\$ 2,003,335	\$ -	\$ -	\$ 2,003,335
19	DSDR A&G and Carrying Cost															
20	Total DSDR and Assigned Cost			\$ 731,264	\$ 79,738	\$ 131,909	\$ 794,279	\$ 291,422	\$ 105,694	\$ 515,874	\$ 92,175	\$ 34,450	\$ 2,045,541	\$ -	\$ -	\$ 2,045,541
21	Test Period Totals			\$ 6,274,455	\$ 786,371	\$ 544,884	\$ 794,279	\$ 291,422	\$ 105,694	\$ 515,874	\$ 449,413	\$ 168,326	\$ 3,656,263	\$ 967,065	\$ 339,201	\$ 4,962,529

<sup>1</sup> Current Residential EE Benchmarking Program costs are recovered during the current period. Residential Lighting costs are recovered over a 5 year period. All other EE program costs are recovered over a 10 year period.



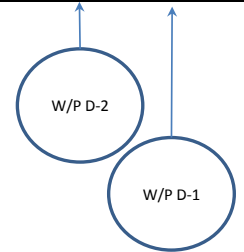
# South Carolina Retail - DSM/EE Revenue Requirements Summary

## B. Rate Period

July 2011 through June 2012

SOUTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY																		
	O&M	Insurance	A&G Expense	Capitalized O&M and A&G	Current Period Amortization	Prior Period Amortization	DSDR Capital Costs	Income Taxes on DSDR Capital Costs	DSDR Property Taxes	DSDR Depreciation	Carrying Costs Net of Taxes	Income Taxes on Carrying Cost	Rev Reqmt Before PPI & NLR	Net Lost Revenue	PPI	Total Revenue Requirement		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)		
	ΣCols(1)thru(3)			ΣCols(4)thru(6)			ΣCols(7)thru(9)			ΣCols(10)thru(12)			ΣCols(13)thru(15)					
<b>SC DSM Program Expenses</b>																		
1	CIG DR	Per Forecast	\$ 359,923	\$ -	\$ 359,923	\$ 35,992	24,085				\$ -	\$ -	\$ 60,077	\$ -	\$ 27,992	\$ 88,069		
2	EnergyWise	Per Forecast	1,630,393	-	1,630,393	163,039	248,329				-	-	411,368	-	148,232	559,600		
3	Total DSM	Σ Lines 1 thru 2	\$ 1,990,316	\$ -	\$ 1,990,316	\$ 199,031	\$ 272,414				\$ -	\$ -	\$ 471,445	\$ -	\$ 176,224	\$ 647,669		
4	DSM Assigned to A&G Cost	Per Books		128,462	128,462	12,846	36,855				238,449	93,272	381,422	-	-	381,422		
5	Total DSM and Assigned Cost	Σ Lines 3 thru 4	\$ 1,990,316	\$ 128,462	\$ 2,118,778	\$ 211,877	\$ 309,269				\$ 238,449	\$ 93,272	\$ 852,867	\$ -	\$ 176,224	\$ 1,029,091		
<b>SC EE Program Expenses</b>																		
6	Res Home Advantage	Per Forecast	\$ 237,832	\$ -	\$ 237,832	23,783	38,168				\$ -	\$ -	\$ 61,951	\$ 53,371	\$ 17,464	132,786		
7	Res Home Energy Improvem't	Per Forecast	1,102,843	-	1,102,843	110,284	191,945				-	-	302,229	120,129	35,407	457,765		
8	Residential Low Income	Per Forecast	284,385	-	284,385	28,439	42,199				-	-	70,638	77,886	-	148,524		
9	CIG Energy Efficiency	Per Forecast	1,164,301	-	1,164,301	116,430	191,109				-	-	307,539	675,499	273,869	1,256,908		
10	Solar Hot Water Pilot	Per Forecast	1,410	-	1,410	141	5,201				-	-	5,342	-	-	5,342		
11	Residential Lighting <sup>1</sup>	Per Forecast	869,197	-	869,197	173,839	229,590				-	-	403,429	1,279,297	158,380	1,841,106		
12	Res Appliance Recycling	Per Forecast	276,456	-	276,456	27,646	21,562				-	-	49,208	88,693	9,971	147,872		
13	Res EE Benchmarking <sup>1</sup>	Per Forecast	135,308	-	135,308	135,308	-				-	-	135,308	120,550	1,448	257,307		
14	Home Depot CFL	Per Forecast	-	-	-	-	2,140				-	-	2,140	-	10,473	12,613		
15	Total EE	Σ Lines 6 thru 14	\$ 4,071,732	\$ -	\$ 4,071,732	\$ 615,870	\$ 721,914				\$ -	\$ -	\$ 1,337,784	\$ 2,415,426	\$ 507,012	\$ 4,260,223		
16	EE Assigned to A&G Cost	Per Books		252,257	252,257	25,226	66,311				484,189	189,396	765,122	-	-	765,122		
17	Total EE and Assigned Cost	Σ Lines 15 thru 16	\$ 4,071,732	\$ 252,257	\$ 4,323,989	\$ 641,096	\$ 788,225				\$ 484,189	\$ 189,396	\$ 2,102,906	\$ 2,415,426	\$ 507,012	\$ 5,025,345		
<b>SC DSDR Program Expenses</b>																		
18	DSDR Program	Per Forecast	\$ 1,182,331	\$ 109,562	\$ -	\$ 1,291,893	\$ 129,189	169,441	\$ 1,285,434	\$ 650,668	\$ 236,206	\$ 905,006	\$ 147,665	\$ 57,761	\$ 3,581,370	\$ -	\$ 3,581,370	
19	DSDR Assigned to A&G Cost	Per Forecast			-	-	42,206						42,206	-	-	42,206		
20	Total DSDR and Assigned Cost	Σ Lines 18 thru 19	\$ 1,182,331	\$ 109,562	\$ -	\$ 1,291,893	\$ 129,189	\$ 211,647	\$ 1,285,434	\$ 650,668	\$ 236,206	\$ 905,006	\$ 147,665	\$ 57,761	\$ 3,623,576	\$ -	\$ 3,623,576	
21	Rate Period Totals	Lines 5 + 17 + 20	\$ 7,244,379	\$ 109,562	\$ 380,719	\$ 7,734,660	\$ 982,162	\$ 1,309,141	\$ 1,285,434	\$ 650,668	\$ 236,206	\$ 905,006	\$ 870,303	\$ 340,429	\$ 6,579,349	\$ 2,415,426	\$ 683,237	\$ 9,678,012

<sup>1</sup>Current Residential EE Benchmarking Program costs are recovered during the current period. Residential Lighting costs are recovered over a 5 year period. All other EE program costs are recovered over a 10 year period.





# PROGRESS ENERGY CAROLINAS, INC.

## Determination of Net Revenue Requirement for Test Period

		Residential	General Service	Lighting	Total
<b>1</b>	<b>Prior Period Recovery Balance at March 31, 2010</b>				
2	Energy Efficiency Programs <i>Docket No. 2010-161-E</i>	\$ 97,372.65	\$ (11,730.23)	\$ -	\$ 85,642.42
3	Demand Side Management Programs <i>Docket No. 2010-161-E</i>	(53,788.71)	(5,123.11)	-	(58,911.82)
4	DSDR Program Expenses <i>Docket No. 2010-161-E</i>	(165,758.90)	(139,051.65)	-	(304,810.55)
5	Balance - Prior (Over) or Under Collection <i>Lines 2 + 3 + 4</i>	\$ (122,174.96)	\$ (155,904.99)	\$ -	\$ (278,079.95)
6					
7	<b>Current Period Cost of Service (4-01 to 3-11)</b>				
8	Energy Efficiency Programs <i>Exhibit 1 (Page 1 of 2)</i>	\$ 552,919.17	\$ 191,109.00	\$ -	\$ 744,028.17
9	E E A&G and Carrying Cost Allocation <i>Exhibit 1 (Page 1 of 2)</i>	291,089.03	100,610.97	-	391,700.00
10	E E PPI and Net Lost Revenues <i>Exhibit 1 (Page 1 of 2)</i>	771,742.34	437,534.69	-	1,209,277.03
11	Total Energy Efficiency Cost of Service <i>Lines 8 + 9 + 10</i>	\$ 1,615,750.54	\$ 729,254.66	\$ -	\$ 2,345,005.20
12					
13	Demand Side Management Programs <i>Exhibit 1 (Page 1 of 2)</i>	\$ 248,329.00	\$ 24,085.00	\$ -	\$ 272,414.00
14	DSM A&G and Carrying Cost Allocation <i>Exhibit 1 (Page 1 of 2)</i>	184,669.25	17,910.75	-	202,580.00
15	DSM PPI and Net Lost Revenues <i>Exhibit 1 (Page 1 of 2)</i>	87,092.37	9,896.73	-	96,989.10
16	Total DSM Cost of Service <i>Lines 13 + 14 + 15</i>	520,090.62	51,892.48	-	571,983.10
17					
18	DSDR Program <i>Exhibit 1 (Page 1 of 2)</i>	\$ 1,228,548.62	\$ 774,786.38	\$ -	\$ 2,003,335.00
19	DSDR A&G and Carrying Cost Allocation <i>Exhibit 1 (Page 1 of 2)</i>	25,882.90	16,323.10	-	42,206.00
20	DSDR Net Lost Revenues <i>Exhibit 1 (Page 1 of 2)</i>	-	-	-	-
21	Total DSDR Cost of Service <i>Lines 18 + 19 + 20</i>	\$ 1,254,431.52	\$ 791,109.48	\$ -	\$ 2,045,541.00
22					
23	Cost of Service for 12 ME 3-31-11 <i>Line 11 + Line 16 + Line 21</i>	\$ 3,390,272.68	\$ 1,572,256.62	\$ -	\$ 4,962,529.30
24					
25	<b>Cost of Service &amp; Prior Bal at March 31, 2011</b>				
26	Energy Efficiency Programs <i>Line 2 + Line 11</i>	\$ 1,713,123.19	\$ 717,524.43	\$ -	\$ 2,430,647.62
27	Demand Side Management Programs <i>Line 3 + Line 16</i>	466,301.90	46,769.37	-	513,071.27
28	DSDR Program <i>Line 4 + Line 12</i>	1,088,672.63	652,057.83	-	1,740,730.45
29	Total Net COS Before Revenue Offsets <i>Lines 26 + 27 + 28</i>	\$ 3,268,097.72	\$ 1,416,351.63	\$ -	\$ 4,684,449.35
30					
31	<b>Actual Revenue (4-10 to 3-11)</b>				
32	EE Revenue <i>Per Books see W/P R-2</i>	\$ 1,643,973.36	\$ 660,036.68	\$ -	\$ 2,304,010.04
33	DSM Revenue <i>Per Books see W/P R-2</i>	492,101.87	76,716.07	-	568,817.94
34	DSDR Revenue <i>Per Books see W/P R-2</i>	1,497,257.65	827,158.43	-	2,324,416.08
35	Total Test Period Revenue (4-10 to 3-11) <i>Lines 32 + 33 + 34</i>	\$ 3,633,332.88	\$ 1,563,911.18	\$ -	\$ 5,197,244.06
36					
37	<b>Adjustments</b>				
38	Vintage 2009 Res HEIP M&V PPI True-Up <i>See W/P D-5</i>	\$ (7,469.84)	\$ -	\$ -	\$ (7,469.84)
39	Uncollectible - Energy Efficiency <i>See W/P B-6</i>	1,006.11	(130.69)	-	875.42
40	Uncollectible - Demand Side Management <i>See W/P B-6</i>	301.17	(15.19)	-	285.98
41	Uncollectible - DSDR <i>See W/P B-6</i>	916.32	(163.78)	-	752.54
42	Total Adjustments <i>Lines 38 + 39 + 40 + 41</i>	\$ (5,246.24)	\$ (309.66)	\$ -	\$ (5,555.90)
43					
44	<b>Revenue Requirement at March 31, 2010</b>				
45	EE Portion of Revenue Requirement <i>Lines 26 - 32 + 38 + 39</i>	\$ 62,686.10	\$ 57,357.06	\$ -	\$ 120,043.16
46					
47	DSM Portion of Revenue Requirement <i>Lines 27 - 33 + 40</i>	\$ (25,498.80)	\$ (29,961.89)	\$ -	\$ (55,460.69)
48	DSDR Portion of Revenue Requirement <i>Lines 28 - 34 + 41</i>	(407,668.70)	(175,264.38)	-	(582,933.09)
49	Total DSM/DSDR Portion of Revenue Rqmt <i>Lines 47 + 48</i>	\$ (433,167.50)	\$ (205,226.27)	\$ -	\$ (638,393.77)
50					
51	<b>Total Net Test Period Revenue Requirement</b> <i>Line 45 + Line 49</i>	\$ (370,481.40)	\$ (147,869.21)	\$ -	\$ (518,350.61)
52	Forecasted Rate Period Revenue Requirement <i>Exhibit 2 (Page 2 of 2)</i>				9,678,011.92
53	<b>Referenced Rate Period Recovery Level</b> <i>Lines 51 + 52</i>				\$ 9,159,661.30

PROGRESS ENERGY CAROLINAS, INC.  
Annual DSM/EE Opt-Out Sales Estimate for SC Customers  
Annual Sales for the Year Ended June, 2012

Rate Class	Opt-Out KWHs <sup>(1)</sup>
Residential	0
General Service	2,283,226,881
Lighting	2,942,406
Total Estimated Opt-Out Sales	2,286,169,287

**NOTES:**

(1) Opt-Out kWh estimates are based on actual opt-out quantities occurring during the twelve-month period ending March 31, 2011.

PROGRESS ENERGY CAROLINAS, INC.

Energy Allocation Factors - Applicable to EE Program Costs

South Carolina Rate Class Energy Allocation Factors

Rate Class	Total SC Rate Class Sales (MWhrs) <sup>(1)</sup> (1)	Opt-Out Sales <sup>(2)</sup> (2)	Adjusted SC Rate Class MWhr Sales (3) = (1) - (2)	Rate Class Energy Allocation Factor (4) = (3) / SC Total in Column 3
Residential	2,137,681	0	2,137,681	50.13%
General Service	4,319,688	2,283,227	2,036,461	47.76%
Lighting	92,921	2,942	89,978	2.11%
SC Retail	6,550,290	2,286,169	4,264,121	100.00%

**NOTES:**

(1) Total SC Rate Class Sales (MWhrs) are for the forecasted year ended June 2012.

(2) Opt-Out sales are provided in Evans Exhibit No. 3

**PROGRESS ENERGY CAROLINAS, INC.**  
Demand Allocation Factors - Applicable to DSM Programs

**South Carolina Rate Class Demand Allocation Factors**

Rate Class	Total SC Rate Class Sales <sup>(1)</sup>	Sales Subject to Opt-Out <sup>(2)</sup>	Rate Class Demand <sup>(3)</sup>	Revised Rate Class Demand	Rate Class Allocation Factor
	(1)	(2)	(3)	(4) = ((1 - 2) / 1) * 3	(5) = (4)/Total of Column 4
Residential	2,137,681	0	519,138	519,138	61.32517%
General Service	4,319,688	2,283,227	694,463	327,395	38.67483%
Lighting	<u>92,921</u>	<u>2,942</u>	<u>0</u>	<u>0</u>	<u>0.00000%</u>
SC Retail	6,550,290	2,286,169	1,213,601	846,534	100.00000%

**NOTES:**

- (1) Total SC Rate Class Sales (MWHrs) are for the forecasted year ended June 2012.
- (2) Opt-Out sales are provided in Evans Exhibit No. 3
- (3) The CP demands are based on the 2010 Coincident Peak occurring on August 11 during the hour ended at 5 P.M.

PROGRESS ENERGY CAROLINAS, INC.

Energy Efficiency Rate Derivation

SC Rate Class	Adjusted SC Rate Class kWhr Sales <sup>(1)</sup>	Rate Class Energy Allocation Factor <sup>(2)</sup>	EE Revenue Requirements							Total of Allocated Costs (9) = Σ (3 thru 8)	Total EE Rate (10) = (9) / (1)
			Residential Programs <sup>(3)</sup>	CIG Programs <sup>(4)</sup>	Common Programs	Allocated A&G Costs <sup>(5)</sup>	Allocated Carrying Costs <sup>(5)</sup>	Net Test Period Revenue Requirement <sup>(6)</sup>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			
Residential	2,137,681,477	50.13%	\$3,003,315	\$0	\$0	\$70,494	\$518,737	\$62,686	\$3,655,232	\$0.001710	
General Service	2,036,460,918	47.76%	\$0	\$1,256,908	\$0	\$21,043	\$154,848	\$57,357	\$1,490,156	\$0.000732	
Lighting	89,978,436	2.11%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.000000	
SC Retail	4,264,120,831	100%	\$3,003,315	\$1,256,908	\$0	\$91,537	\$673,585	\$120,043	\$5,145,388	\$0.001207	

**NOTES:**

- (1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Evans Exhibit No. 4, column (3).
- (2) Rate Class Energy Allocation Factor is derived in Evans Exhibit No. 4, column (4).
- (3) CFL Pilot, Solar Water Heating Pilot, EE Benchmarking, Res. HEIP, Res. Lighting, Appliance Recycling, Res. Home Advantage and Low Income Program costs are allocated solely to Residential Class.
- (4) CIG Energy Efficiency costs are allocated solely to General Service Class.
- (5) A&G and Carrying Costs are allocated on the basis of revenue requirements (excluding incentives).
- (6) Net Energy Efficiency Revenue Requirements are derived on Evans Exhibit No. 2

PROGRESS ENERGY CAROLINAS, INC.  
Demand Side Management Rate Derivation

SC Rate Class	Adjusted SC Rate Class kWhr Sales <sup>(1)</sup>	Rate Class Demand Allocation Factor <sup>(2)</sup>	DSM Revenue Requirement							
			Residential Programs <sup>(3)</sup>	CIG Programs <sup>(4)</sup>	DSDR <sup>(5)</sup>	Non-DSDR Assigned A&G and Carrying Costs <sup>(6)</sup>	DSDR Assigned A&G and Carrying Costs <sup>(5)</sup>	Net Test Period Revenue Requirement <sup>(7)</sup>	Total of Allocated Costs <small>(9) = Σ (3 thru 8)</small>	Total DSM Rate <small>(10) = (9) / (1)</small>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Residential	2,137,681,477	61.33%	\$559,600	\$0	\$2,070,303	\$332,817	\$151,861	-\$433,168	\$2,681,413	\$0.001254
General Service	2,036,460,918	38.67%	\$0	\$88,069	\$1,305,641	\$48,605	\$95,771	-\$205,226	\$1,332,860	\$0.000654
Lighting	89,978,436	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.000000
SC Retail	4,264,120,831	100.00%	\$559,600	\$88,069	\$3,375,944	\$381,422	\$247,632	-\$638,394	\$4,014,273	\$0.000941

**NOTES:**

- (1) Rate Class Sales, excluding "Opt-Out" sales, are derived in Evans Exhibit No. 4, column (3).
- (2) Rate Class Demand Allocation Factor is derived in Evans Exhibit No. 5, column (5).
- (3) EnergyWise costs are directly assigned solely to Residential Rate Class.
- (4) CIG DR Program costs are directly assigned solely to General Service Class.
- (5) DSDR Costs and assigned A&G and carrying costs are allocated using Rate Class Demand Allocation Factor from column (2).
- (6) Non-DSDR A&G and Carrying Costs are allocated on the basis of revenue requirements (before adjustment for incentives) assigned in columns (3) and (4).
- (7) Net DSM Revenue Requirements are derived on Evans Exhibit No. 2

PROGRESS ENERGY CAROLINAS, INC.  
EE/DSM Billing Rate - July 2011 through June 2012  
Revenue Adjustment Factors

**Residential Adjustment Factor**

1	Billed kWh (12ME 3/31/11)	<i>Per Books</i>	2,361,711,406
2	Billed RECD kWh (12ME 3/31/11)	<i>Per Books</i>	377,603,054 (a)
3	RECD kWh Percent of Total Billed	<i>Line 2 / Line 1</i>	15.9885%
4	RECD Discount Percentage	<i>RECD Discount</i>	<u>5.0000%</u> (b)
5	RECD Impact (Weighted Discount)	<i>Line 3 x Line 4</i>	0.7994% (d)
6	Uncollectable Estimate for Forecast Period	<i>W/P B-6</i>	<u>0.7019%</u> (c)
7	Residential Adjustment Factor for Rate Period	<i>Line 5 + Line 6</i>	<u><u>1.5013%</u></u> (d)

**General Service Adjustment Factor**

8	Uncollectable Estimate for Forecast Period	<i>W/P B-6</i>	<u>0.0593%</u> (c)
9	General Service Adjustment Factor for Rate Period	<i>Line 8</i>	<u><u>0.0593%</u></u> (d)

**Notes:**

- (a) Energy billed and discounted pursuant to Residential Energy Conservation Discount, Rider RECD-2B.
- (b) Five-percent discount provided under Residential Energy Conservation Discount, Rider RECD-2B.
- (c) Estimated incremental level of uncollectables associated with DSM/EE billings.
- (d) Estimated impacts of uncollectable and RECD related discounts will be trued up to actual amounts.

**PROGRESS ENERGY CAROLINAS, INC.**  
**EE/DSM Billing Rate - July 2011 through June 2012**

All rates are shown in dollars per kWh

**Rates Net of South Carolina Gross Receipts Taxes (GRT) and Regulatory Fee**

<u>SC Rate Class</u>	<u>Total EE Rate</u> (1)	<u>Total DSM Rate</u> (2)	<u>Total DSM/EE Rate</u> (3)	<u>RECD &amp; Uncollectible Adjustment</u> (4)	<u>DSM/EE Rate</u> (5)
Residential	\$0.001710	\$0.001254	\$ 0.002964	\$0.000045	\$0.00301
General Service	0.000732	0.000654	0.001386	0.000001	\$0.00139
Lighting	0.000000	0.000000	0.000000	0.000000	\$0.00000

**Rates Including SC Gross Receipts Taxes at 0.30% and Regulatory Fee at 0.15151%**

<u>SC Rate Class</u>	<u>DSM/EE Rate</u> <i>(net of GRT and Regulatory Fee)</i> (6)	<u>Gross Receipts Tax and Regulatory Fee Adjustment</u> (7)	<u>DSM/EE Billing Rate</u> (8)
Residential	\$0.00301	\$0.00001	\$0.00302
General Service	0.00139	0.00001	0.00140
Lighting	0.00000	0.00000	0.00000

**NOTES:**

- (1) Total EE Rate is derived in Evans Exhibit No. 6, column (10).
- (2) Total DSM Rate is derived in Evans Exhibit No. 7, column (10).
- (3) Total DSM/EE Rate is sum of columns (1) and (2).
- (4) Adjustment factors derived in Evans Exhibit No. 8 applied to column (3)
- (5) DSM/EE Rate is derived from the sum of columns (3) and (4) and rounded to 5 decimal points..
- (6) DSM/EE Billing Rate from column (5)
- (7) Calculated Gross Receipts Tax and Regulatory Fee at the combined rate of 0.45151% on column (6)
- (8) DSM/EE Billing Rate is derived from the sum of columns (6) and (7) and rounded to 5 decimal points.



# Workpapers

## Section B – Allocation Factor and Revenue Adjustment Factor Development

**PROGRESS ENERGY CAROLINAS, INC.**  
**Allocation Factor Summary**

					DSM		EE	
					NC	SC	NC	SC
<b>A. Allocation Factors</b>								
1	May-08	to	Apr-09	<i>Calendar 2007 Analysis</i> <sup>1</sup>	86.73%	13.27%	84.81%	15.19%
2	May-09	to	Apr-10	<i>Calendar 2008 Analysis</i> <sup>1</sup>	86.16%	13.84%	85.06%	14.94%
3	May-10	to	Apr-11	<i>Calendar 2009 Analysis</i> <sup>2</sup>	85.89%	14.11%	85.41%	14.59%
4	May-11	to	Apr-12	<i>Calendar 2010 Analysis</i> <sup>3</sup>	86.49%	13.51%	85.53%	14.47%
<b>B. Custom Period Factors</b>								
<i>Calendar Year 2010</i> <sup>4</sup>								
5	Jan-10	to	Dec-10	<i>Line 2 x <math>\frac{1}{3}</math> + Line 3 x <math>\frac{2}{3}</math></i>	85.98%	14.02%	85.29%	14.71%
<i>Calendar Year 2011</i> <sup>4</sup>								
6	Jan-11	to	Dec-11	<i>Line 3 x <math>\frac{1}{3}</math> + Line 4 x <math>\frac{2}{3}</math></i>	86.29%	13.71%	85.49%	14.51%

**Notes:**<sup>1</sup> Allocation Factors values from Docket 2009-191-E<sup>2</sup> Allocation Factors values from Docket 2010-161-E<sup>3</sup> Allocation Factors values from W/P B-5A<sup>4</sup> Employed in the allocation of Utility Cost Test (UCT) results for PPI determination.

## Progress Energy Carolinas, Inc. Projected SC Sales Values

	Residential	General Service	General Service Estimated Opt-Out	Net General Service	Lighting	Lighting Estimated Opt- Out	Net Lighting	Total	Total Net of Estimated Opt-Out
	(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)	(g) = (e) - (f)	(h) = (a)+(b)+(e)	(i) = (a)+(d)+(g)
Jul-11	219,653,540	382,748,053	213,670,517	169,077,536	7,565,141	243,152	7,321,989	609,966,734	396,053,065
Aug-11	220,302,368	416,280,453	204,332,767	211,947,686	7,885,737	236,935	7,648,802	644,468,558	439,898,856
Sep-11	180,379,487	398,658,271	202,641,307	196,016,964	7,774,710	245,218	7,529,492	586,812,468	383,925,943
Oct-11	129,397,957	379,343,314	198,233,382	181,109,932	7,720,081	240,283	7,479,798	516,461,352	317,987,687
Nov-11	129,752,190	333,561,501	217,144,706	116,416,795	7,902,697	243,006	7,659,691	471,216,388	253,828,676
Dec-11	203,718,630	314,704,762	142,665,444	172,039,318	7,922,278	238,352	7,683,926	526,345,670	383,441,874
Jan-12	260,278,935	329,286,518	213,158,431	116,128,087	8,037,313	257,652	7,779,661	597,602,766	384,186,683
Feb-12	192,266,917	333,161,259	177,236,643	155,924,616	7,072,456	255,390	6,817,066	532,500,632	355,008,599
Mar-12	164,566,564	335,173,136	137,772,130	197,401,006	7,241,812	252,962	6,988,850	506,981,512	368,956,420
Apr-12	125,176,588	358,927,555	197,081,842	161,845,713	7,712,667	243,152	7,469,515	491,816,810	294,491,816
May-12	126,092,214	365,286,870	175,320,452	189,966,418	8,127,663	224,462	7,903,201	499,506,747	323,961,833
Jun-12	186,096,087	372,556,107	203,969,260	168,586,847	7,958,287	261,842	7,696,445	566,610,481	362,379,379
	2,137,681,477	4,319,687,799	2,283,226,881	2,036,460,918	92,920,842	2,942,406	89,978,436	6,550,290,118	4,264,120,831

Source: W/P R-3

Source: W/P R-3

**PROGRESS ENERGY CAROLINAS, INC.**  
**Energy & Summer Production Demand Allocation Factors**

*From Calendar 2010 Analysis*

Rate Schedule (1)	Production Energy (kWh) (2)		Production <sup>1</sup> Summer CP (KW) (3)	
NC RES	17,696,889,372		3,873,788	
NC SGS	2,071,983,378		437,690	
NC SGT (SGS)	659,699,647		120,756	
NC SGT (MGS)	8,259,791,641		1,525,068	
NC MGS	2,830,557,745		522,642	
NC SI	60,965,347		15,299	
NC LGS	1,102,761,245		184,889	
NC LGS-TOU	2,240,761,476		347,493	
NC LGS-RTP	5,634,454,875		743,080	
NC TSS	10,703,645		1,216	
NC ALS	335,307,002		-	
NC SLS	132,940,684		-	
NC SFLS	1,601,513		-	
<b>Total NC</b>	<b>41,038,417,571</b>	<b>85.53%</b>	<b>7,771,920</b>	<b>86.49%</b>
SC RES	2,563,563,194		519,138	
SC SGS	327,157,701		66,933	
SC SGT (SGS)	93,812,444		15,977	
SC SGT (MGS)	1,112,428,878		191,899	
SC MGS	575,697,316		99,141	
SC SI	19,964,449		2,789	
SC LGS	697,978,703		110,119	
SC LGS-TOU	1,084,454,286		150,821	
SC LGS-RTP	368,327,494		56,708	
SC TSS	690,507		76	
SC ALS	79,289,937		-	
SC SLS	18,381,951		-	
SC SFLS	221,547		-	
<b>Total SC</b>	<b>6,941,968,407</b>		<b>14.47%</b>	
<b>Total System</b>	<b>47,980,385,978</b>	<b>100.00%</b>	<b>8,985,521</b>	<b>100.00%</b>

<sup>1</sup> Based on Summer Coincident Peak event on August 11, 2010 during hour ending 1700 EDT.

W/P B-5B

**PROGRESS ENERGY CAROLINAS, INC.**  
**Summer Coincident Peak Production Demand Allocation Factors**  
**Calendar 2010 - South Carolina Retail**

Rate Schedule (1)	Summer CP Demand (KW) <sup>1</sup> (2)	Rate Class (3)	Summer CP Demand (KW) (4)	SC Rate Class Ratio (5)
SC RES	519,138	Residential	519,138	42.78%
SC SGS	66,933	Small General Service	67,009	5.52%
SC SGT (SGS)	15,977	Medium General Service	309,805	25.53%
SC SGT (MGS)	191,899	Large General Service	317,648	26.17%
SC MGS	99,141	Lighting	0	0.00%
SC SI	2,789			
SC LGS	110,119	SC Retail	1,213,601	100.00%
SC LGS-TOU	150,821			
SC LGS-RTP	56,708			
SC TSS	76	DSM/EE Rate Classes		
SC ALS	0	Residential	519,138	42.78%
SC SLS	0	General Service	694,463	57.22%
SC SFLS	0	Lighting	0	0.00%
SC Retail	1,213,601	SC Retail	1,213,601	100.00%

<sup>1</sup> Summer Coincident Peak values from W/P 5A

**Progress Energy Carolinas, Inc.**  
South Carolina Uncollectible Data and Adjustment

<b>Residential</b>			
1	Sales (kWh)	<i>Per Books</i>	2,429,333,251
2	Uncollectibles (kWh)	<i>WP B-7</i>	<u>17,052,420</u>
3	Percentage	<i>Line 2 / Line 1</i>	0.7019%
4	Estimated Residential Uncollectible Percentage	<i>Docket No. 2010-161-E, Exh 8</i>	<u>0.6407%</u>
5	Variation from Estimate	<i>Line 3 - Line 4</i>	0.0612%
6	SC Residential DSM/EE Billings	<i>WP R-2, Line 52</i>	<u>\$ 3,633,332.88</u>
7	SC Uncollectible DSM/EE Undercollection	<i>Line 5 x Line 6</i>	<u>\$ 2,223.60</u>
		<u>Revenue %s</u>	<u>Rev %s x Line 7</u>
8	Energy Efficiency ( <i>Evans Exhibit No. 2</i> )	45.25%	\$ 1,006.11
9	Demand Side Mgt ( <i>Evans Exhibit No. 2</i> )	13.54%	\$ 301.17
10	DSDR ( <i>Evans Exhibit No. 2</i> )	41.21%	916.32
11	Check Total	<u>100.00%</u>	<u>\$ 2,223.60</u>
<b>General Service (net of Opt-Outs)</b>			
1	Sales (kWh)	<i>WP R-3, Line 13</i>	1,806,894,041
2	Uncollectibles (kWh)	<i>WP B-7</i>	<u>1,071,056</u>
3	Percentage	<i>Line 2 / Line 1</i>	0.0593%
4	Estimated Gen Svc Uncollectible Percentage	<i>Docket No. 2010-161-E, Exh 8</i>	<u>0.0791%</u>
5	Variation from Estimate	<i>Line 3 - Line 4</i>	-0.0198%
6	SC Residential Gen Svc DSM/EE Billings	<i>WP R-2, Line 52</i>	<u>\$ 1,563,911.18</u>
7	SC DSM/EE Uncollectible Overcollection	<i>Line 5 x Line 6</i>	<u>\$ (309.65)</u>
		<u>Revenue %s</u>	<u>Rev %s x Line 7</u>
8	Energy Efficiency ( <i>Evans Exhibit No. 2</i> )	42.20%	\$ (130.69)
9	Demand Side Mgt ( <i>Evans Exhibit No. 2</i> )	4.91%	(15.19)
10	DSDR ( <i>Evans Exhibit No. 2</i> )	52.89%	(163.78)
11	Check Total	<u>100.00%</u>	<u>\$ (309.65)</u>

**Progress Energy Carolinas - Uncollectible Revenue Statistics**

*Shown by usage month - not month of accounting event*

South Carolina Accounts  
Charged Off 04/09 - 03/10  
(Three Month Lag)

**Billing Month**

**Residential Service**

Month	Uncollectible Rev	Uncollectible Usage	Recovered Rev	Recovered Usage	Total Charge - Offs (\$)	Total Charge-Offs (KWH)
January-10	\$240,622.14	2,621,036	\$21,871.32	238,239	\$218,750.82	2,382,797
February-10	\$244,969.37	2,635,528	\$15,002.13	161,402	\$229,967.24	2,474,126
March-10	\$250,627.42	2,739,511	\$31,304.12	342,173	\$219,323.30	2,397,338
April-10	\$135,646.36	1,381,536	\$26,048.57	265,300	\$109,597.79	1,116,236
May-10	\$85,286.06	853,226	\$13,816.58	138,225	\$71,469.48	715,001
June-10	\$112,283.37	1,172,423	\$17,784.17	185,696	\$94,499.20	986,727
July-10	\$169,138.03	1,740,115	\$11,994.87	123,405	\$157,143.16	1,616,710
August-10	\$208,772.13	2,139,487	\$15,828.87	162,214	\$192,943.26	1,977,273
September-10	\$175,997.99	1,788,443	\$17,838.38	181,269	\$158,159.61	1,607,174
October-10	\$106,381.52	1,064,061	\$15,358.94	153,625	\$91,022.58	910,436
November-10	\$50,937.59	519,982	\$5,445.08	55,585	\$45,492.51	464,397
December-10	\$41,389.57	445,683	\$3,852.08	41,479	\$37,537.49	404,204
					<b>\$1,625,906.44</b>	<b>17,052,420</b>

**General Service (Does not Include Opt-Out Customers)**

Month	Uncollectible Rev	Uncollectible Usage	Recovered Rev	Recovered Usage	Total Charge - Offs (\$)	Total Charge-Offs (KWH)
January-10	\$17,625.83	187,007	\$4,295.78	45,577	\$13,330.05	141,430
February-10	\$16,699.23	177,788	\$851.32	9,064	\$15,847.91	168,724
March-10	\$18,633.99	201,706	\$1,920.62	20,790	\$16,713.37	180,916
April-10	\$9,906.74	99,729	\$2,323.93	23,395	\$7,582.81	76,334
May-10	\$7,936.69	87,133	\$2,240.18	24,594	\$5,696.51	62,539
June-10	\$5,345.43	53,842	\$467.96	4,714	\$4,877.47	49,128
July-10	\$9,283.12	93,035	\$750.60	7,522	\$8,532.52	85,513
August-10	\$8,745.62	87,555	\$757.71	7,586	\$7,987.91	79,969
September-10	\$15,713.23	171,084	\$6,369.60	69,352	\$9,343.63	101,732
October-10	\$7,929.53	71,844	\$638.08	5,781	\$7,291.45	66,063
November-10	\$6,296.71	74,870	\$3,050.51	36,271	\$3,246.20	38,599
December-10	\$2,687.72	27,608	\$729.75	7,496	\$1,957.97	20,112
					<b>\$102,407.80</b>	<b>1,071,056</b>

# Workpapers

## Section D – Determination of Utility Incentives



## Progress Energy Carolinas, Inc.

### Calculation of Program Performance Incentives

#### 2010 Vintage

		CIG DR	EnergyWise™	Residential Home Advantage	Residential Home Energy Improvement	Residential Lighting Program	Residential Appliance Recycling	Residential Benchmarking	CIG Energy Efficiency	
1	Present Value of Avoided Costs	WP/D-1D	\$ 10,564,429	\$ 57,278,141	\$ 3,059,165	\$ 12,682,498	\$ 32,448,359	\$ 2,336,853	\$ -	\$ 39,796,763
2	Present Value of Program Costs	WP/D-1A	5,260,821	20,209,855	1,080,571	7,756,442	6,517,118	1,036,855	65,026	6,239,359
3	Net Program Benefits		\$ 5,303,608	\$ 37,068,286	\$ 1,978,594	\$ 4,926,057	\$ 25,931,241	\$ 1,299,998	\$ -	\$ 33,557,404
4	SC Allocation Factor	WP/B	14.02%	14.02%	14.71%	14.71%	14.71%	14.71%	14.71%	14.71%
5	SC Allocated Utility Cost Test	Lines 3 X 4	\$ 743,566	\$ 5,196,974	\$ 290,985	\$ 724,459	\$ 3,813,621	\$ 191,186	\$ -	\$ 4,935,176
6	DSM Program Incentive at 8%	Lines 5 X 8%	\$ 59,485	\$ 415,758						
7	EE Program Incentive at 13%	Lines 5 X 13%			\$ 37,828	\$ 94,180	\$ 495,771	\$ 24,854	\$ -	\$ 641,573
8	Program Performance Incentive (PPI)	Lines 6 + 7	\$ 59,485	\$ 415,758	\$ 37,828	\$ 94,180	\$ 495,771	\$ 24,854	\$ -	\$ 641,573
9	Income Tax Rate	WP/D-1C	39.21%	39.21%	39.21%	39.21%	39.21%	39.21%	39.21%	39.21%
10	Income Taxes	-(Lines 8 X 9)	\$ (23,322)	\$ (163,000)	\$ (14,831)	\$ (36,924)	\$ (194,370)	\$ (9,744)	\$ -	\$ (251,532)
11	Net-of-Tax PPI - Total NPV	Lines 9 + 10	\$ 36,164	\$ 252,758	\$ 22,997	\$ 57,256	\$ 301,401	\$ 15,110	\$ -	\$ 390,041
12	Vintage Year 2010 - Year 1 PPI	$\frac{\text{Line 11} \times 0.088605 \times (1 + 0.088605)^{10}}{(1 + 0.088605)^{10} - 1}$	\$ 5,600	\$ 39,143	\$ 3,561	\$ 8,867	\$ 46,676	\$ 2,340	\$ -	\$ 60,404
13	Income Tax Gross-Up Factor	1 - Line 9	60.79%	60.79%	60.79%	60.79%	60.79%	60.79%	60.79%	60.79%
14	Adjusted PPI Current Vintage	Line 12 / Line 13	\$ 9,212	\$ 64,386	\$ 5,858	\$ 14,585	\$ 76,778	\$ 3,849	\$ -	\$ 99,357
15	Vintage 2009 PPI Values	Docket 2010-161-E	\$ -	\$ 21,414	\$ 1,030	\$ 1,844	\$ -	\$ -	\$ -	\$ 30,414
16	PPI Values for Test Period	Lines 14 + 15	\$ 9,212	\$ 85,800	\$ 6,888	\$ 16,429	\$ 76,778	\$ 3,849	\$ -	\$ 129,771

#### 2011 Vintage

		CIG DR	EnergyWise™	Residential Home Advantage	Residential Home Energy Improvement	Residential Lighting Program	Residential Appliance Recycling	Residential Benchmarking	CIG Energy Efficiency	
1	Present Value of Avoided Costs	WP/D-1E	\$ 21,240,848	\$ 56,793,200	\$ 5,078,297	\$ 13,321,999	\$ 33,844,062	\$ 3,908,280	\$ 1,289,059	\$ 57,424,662
2	Present Value of Program Costs	WP/D-1A	10,184,264	20,037,684	1,458,140	6,825,560	5,909,590	1,812,545	793,212	8,096,584
3	Net Program Benefits		\$ 11,056,585	\$ 36,755,516	\$ 3,620,158	\$ 6,496,439	\$ 27,934,472	\$ 2,095,735	\$ 495,847	\$ 49,328,079
4	SC Allocation Factor	WP/B	13.71%	13.71%	14.51%	14.51%	14.51%	14.51%	14.51%	14.51%
5	SC Allocated Utility Cost Test	Lines 3 X 4	\$ 1,515,858	\$ 5,039,181	\$ 525,285	\$ 942,633	\$ 4,053,292	\$ 304,091	\$ 71,947	\$ 7,157,504
6	DSM Program Incentive at 8%	Lines 5 X 8%	\$ 121,269	\$ 403,135						
7	EE Program Incentive at 13%	Lines 5 X 13%			\$ 68,287	\$ 122,542	\$ 526,928	\$ 39,532	\$ 9,353	\$ 930,476
8	Program Performance Incentive (PPI)	Lines 6 + 7	\$ 121,269	\$ 403,135	\$ 68,287	\$ 122,542	\$ 526,928	\$ 39,532	\$ 9,353	\$ 930,476
9	Income Tax Rate	WP/D-1C	39.21%	39.21%	39.21%	39.21%	39.21%	39.21%	39.21%	39.21%
10	Income Taxes	-(Lines 8 X 9)	\$ (47,544)	\$ (158,051)	\$ (26,772)	\$ (48,043)	\$ (206,585)	\$ (15,499)	\$ (3,667)	\$ (364,798)
11	Net-of-Tax PPI - Total NPV	Lines 9 + 10	\$ 73,725	\$ 245,084	\$ 41,515	\$ 74,499	\$ 320,343	\$ 24,033	\$ 5,686	\$ 565,678
12	Vintage Year 2011 - Year 1 PPI	$\frac{\text{Line 11} \times 0.088605 \times (1 + 0.088605)^{10}}{(1 + 0.088605)^{10} - 1}$	\$ 11,417	\$ 37,955	\$ 6,429	\$ 11,537	\$ 49,610	\$ 3,722	\$ 881	\$ 87,604
13	Income Tax Gross-Up Factor	1 - Line 9	60.79%	60.79%	60.79%	60.79%	60.79%	60.79%	60.79%	60.79%
14	Adjusted PPI	Line 12 / Line 13	\$ 18,780	\$ 62,431	\$ 10,575	\$ 18,978	\$ 81,603	\$ 6,122	\$ 1,448	\$ 144,098
15	Vintage 2010 PPI Values	Line 14 from 2010 Analysis	\$ 9,212	\$ 64,386	\$ 5,858	\$ 14,585	\$ 76,778	\$ 3,849	\$ -	\$ 99,357
16	Vintage 2009 PPI Values	Line 15 from 2010 Analysis	-	21,414	1,030	1,844	-	-	-	30,414
17	PPI Values for Rate Period	Lines 14 + 15 + 16	\$ 27,992	\$ 148,232	\$ 17,464	\$ 35,407	\$ 158,380	\$ 9,971	\$ 1,448	\$ 273,869

Note: PPI level for CFL Pilot Program established in Docket No. 2009-191-E.

## Progress Energy Carolinas, Inc.

Calculation of Program Performance Incentives (Costs)

	Actual Values											Adjustments	Adjusted 2010 Totals		
	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10			Dec-10	
CIG DR	39,558	45,055	45,289	53,455	47,084	54,379	107,713	317,865	111,793	85,023	59,089	59,374	4,235,144	D-1B	5,260,821
EnergyWiseTM	744,133	954,698	981,637	641,052	913,824	791,035	905,404	1,012,281	1,272,208	739,798	475,495	514,858	10,263,431	D-1B	20,209,855
Residential Home Advantage	66,730	61,004	73,801	87,976	137,955	87,604	104,322	111,339	94,075	96,681	125,470	33,615			1,080,571
Residential Home Energy Improvement	612,613	526,020	522,743	481,717	518,415	684,120	863,812	814,135	771,387	559,710	704,433	697,336			7,756,442
Residential Lighting Program	89,861	293,269	523,984	580,810	725,464	660,748	561,647	557,353	552,179	662,180	452,001	857,621			6,517,118
Residential Appliance Recycling	10,398	8,254	13,778	36,770	104,622	75,978	62,776	113,600	159,335	193,102	120,549	137,693			1,036,855
Residential Benchmarking	0	0	1,150	11,572	8,592	9,404	6,261	6,052	11,738	3,365	1,825	5,068			65,026
CIG Energy Efficiency	431,407	506,009	331,975	770,343	449,493	369,245	444,461	584,975	384,317	748,363	748,623	470,148			6,239,359

	Actual Values			Estimated Values								Adjustments	Adjusted 2011 Totals		
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11			Dec-11	
CIG DR	60,898	67,075	97,742	110,743	108,311	239,389	513,995	583,162	125,228	121,497	120,928	121,984	7,913,311	D-1B	10,184,264
EnergyWiseTM	814,282	911,376	831,581	1,186,940	1,092,882	990,100	794,223	791,385	1,183,522	1,225,155	706,914	660,376	8,848,948	D-1B	20,037,684
Residential Home Advantage	188,914	76,502	119,841	94,794	159,724	91,321	132,608	121,304	140,875	144,904	113,886	73,468			1,458,140
Residential Home Energy Improvement	883,389	758,080	630,288	394,842	453,962	912,408	493,627	592,391	531,109	473,809	427,193	274,462			6,825,560
Residential Lighting Program	134,445	476,955	440,320	597,173	569,903	539,042	474,961	474,961	587,673	582,097	539,042	493,019			5,909,590
Residential Appliance Recycling	46,333	89,902	245,855	193,544	196,720	116,184	134,908	193,804	189,628	152,304	141,184	112,179			1,812,545
Residential Benchmarking	1,721	80,842	3,675	81,501	77,710	77,710	77,710	77,710	81,501	77,710	77,710	77,711			793,212
CIG Energy Efficiency	404,382	1,028,980	945,062	652,301	626,758	626,758	626,758	632,008	657,551	632,008	632,008	632,008			8,096,584

# Progress Energy Carolinas, Inc.

## Calculation of Program Performance Incentives (Adjustments)

Year	CIG DR <sup>1</sup>		EnergyWise <sup>2</sup>	
	Vintage 2010	Vintage 2011	Vintage 2010	Vintage 2011
2011	\$ 536,359 <sup>3</sup>		\$ 949,121	\$ -
2012	366,471	751,275	949,121	989,625
2013	366,471	751,275	949,121	989,625
2014	366,471	751,275	949,121	989,625
2015	366,471	751,275	949,121	989,625
2016	366,471	751,275	949,121	989,625
2017	366,471	751,275	949,121	989,625
2018	366,471	751,275	949,121	989,625
2019	366,471	751,275	949,121	989,625
2020	366,471	751,275	949,121	989,625
2021	366,471	751,275	949,121	989,625
2022	366,471	751,275	949,121	989,625
2023	366,471	751,275	949,121	989,625
2024	366,471	751,275	949,121	989,625
2025	366,471	751,275	949,121	989,625
2026	366,471	751,275	949,121	989,625
2027	366,471	751,275	949,121	989,625
2028	366,471	751,275	949,121	989,625
2029	366,471	751,275	949,121	989,625
2030	366,471	751,275	949,121	989,625
2031	366,471	751,275	949,121	989,625
2032	366,471	751,275	949,121	989,625
2033	366,471	751,275	949,121	989,625
2034	366,471	751,275	949,121	989,625
2035	366,471	751,275	949,121	989,625
2036	366,471	751,275	949,121	989,625
2037	366,471	751,275	949,121	989,625
2038	366,471	751,275	949,121	989,625
2039	366,471	751,275	949,121	989,625
Nominal Values	\$ 10,797,547	\$ 21,035,700	\$ 27,524,516	\$ 27,709,500
Net Present Value	\$ 4,235,144	\$ 8,279,782 <sup>4</sup>	\$ 10,561,290	\$ 10,095,928 <sup>4</sup>
Less: V-2009 Incentives	\$ -	\$ -	\$ 297,859	\$ 297,859 <sup>5</sup>
Less: V-2010 Incentives	-	366,471 <sup>6</sup>	-	949,121 <sup>6</sup>
Total Adjustments	\$ -	\$ 366,471	\$ 297,859	\$ 1,246,980
Adjusted NPV	\$ 4,235,144	\$ 7,913,311	\$ 10,263,431	\$ 8,848,948

<sup>1</sup> Ongoing payments to participant at rate of \$45 per kW per year plus 5% M&V Adder.

<sup>2</sup> Ongoing payments to participant at rate of \$25 per year plus 5% M&V Adder.

<sup>3</sup> Third quarter 2009 program expenses and 2010 participant incentives paid in 2011.

<sup>4</sup> Discount Rate of 8.03% employed in the determination of net present values.

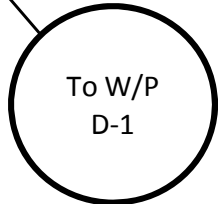
<sup>5</sup> Removal of 2009 participant Incentives (*w/M&V Adder*) associated with Vintage installations (Docket 2010-161-E).

<sup>6</sup> Removal of 2010 participant Incentives (*w/M&V Adder*) associated with 2010 Vintage installations.

# Progress Energy Carolinas, Inc.

## SC Calculation Tax and Return Related Input Factors

	<u>Component</u>	<u>Percent</u>	<u>Rate</u>	<u>Wgt'd Rate</u>	<u>Net of Tax Wgt'd Cost</u>	<u>Pre Tax Wgt'd Cost</u>	
1	Debt	47.82% x	8.62% =	4.1221%	2.5060% (a)	4.1221%	
2	Preferred	7.46% x	8.75% =	0.6528% →	0.6528%	1.0737% (b)	
3	Common	44.72% x	12.75% =	5.7018% →	5.7018%	9.3788% (c)	
4	Total	100.00%		10.4766%	<b>8.8605%</b>	14.5746%	
5							
6	<b>After Tax Cost of Debt</b>						
7	Wgt'd Debt Component			4.1221% ←	4.1221%		
8	PEC Composite Income Tax Rate			x	39.2055% (d)		
9	Federal Income Tax Amount		-	1.6161% ←	1.6161%		
10							
11	After Tax Debt Cost Component			2.5060% →	<b>2.5060%</b> (a)		
12							
13	<b>Incremental Tax Rate</b>						
14	Pretax Debt Component				4.1221%		
15	After-Tax Debt Component				2.5060%		
16	After Tax Percent of Pretax Amt				60.7945%		
17	Effective Incremental Tax Rate						
18	(1 - After Tax Percent of Pretax )				<b>39.2055%</b> (d)		
19							
20	<b>Pre Tax Cost of Equity</b>						
21	Wgt'd Common Equity Component					5.7018%	
22	Wgt'd Preferred Component				0.6528%		
23	Total Equity					5.7018%	
24	After Tax Percent of Pretax Amt				60.7945%	60.7945%	
25	Pre Tax Cost of Equity						
26	(Pre Tax Cost of Equity / After Tax Percent of Pretax Amt )				<b>1.0737%</b> (b)	<b>9.3788%</b> (c)	
27							
28							
29	<b>Composite Income Tax Rate</b>						
30							
31	<u>Jurisdiction</u>						
32	Federal [35% x (1-Composite State)]					32.7355%	
33	North Carolina					5.8400%	
34	South Carolina				+	0.6300%	
35	PEC Composite Income Tax Rate					<b>39.2055%</b> (d)	



**PEC Residential Lighting Program - Vintage Year-2010**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2010	3,558	480	517	4,555
2011	3,467	493	527	4,487
2012	4,265	506	538	5,309
2013	3,901	519	549	4,969
2014	5,479	530	560	6,569
2015	7,552	540	571	8,663
2016	6,082	551	582	7,215
2017	0	0	0	0
2018	0	0	0	0
2019	0	0	0	0
2020	0	0	0	0
2021	0	0	0	0
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
2025	0	0	0	0
2026	0	0	0	0
2027	0	0	0	0
2028	0	0	0	0
2029	0	0	0	0
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	<b>34,303</b>	<b>3,620</b>	<b>3,844</b>	<b>41,767</b>
<b>NPV</b>	<b>26,497</b>	<b>2,885</b>	<b>3,066</b>	<b>32,448</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>32,448,359</b>

**PEC Residential Home Advantage - Vintage Year-2010**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2010	103	50	53	206
2011	105	51	54	211
2012	115	52	56	223
2013	119	54	57	229
2014	166	55	58	278
2015	169	56	59	284
2016	177	57	60	294
2017	186	58	61	305
2018	199	59	63	320
2019	209	60	64	333
2020	220	62	65	347
2021	229	63	66	358
2022	238	64	68	369
2023	247	65	69	382
2024	259	67	70	396
2025	217	48	51	316
2026	224	49	52	326
2027	232	50	53	335
2028	242	50	53	346
2029	254	51	54	360
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	<b>3,910</b>	<b>1,121</b>	<b>1,187</b>	<b>6,218</b>
<b>NPV</b>	<b>1,848</b>	<b>588</b>	<b>623</b>	<b>3,059</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>3,059,165</b>

**PEC Residential Home Energy Improvement - Vintage Year-2010**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2010	338	374	403	1,115
2011	303	342	366	1,011
2012	335	351	374	1,060
2013	350	361	381	1,092
2014	476	368	389	1,232
2015	452	375	397	1,224
2016	472	383	404	1,259
2017	495	390	413	1,298
2018	534	398	421	1,353
2019	561	406	429	1,397
2020	591	411	434	1,436
2021	614	419	443	1,476
2022	641	428	452	1,520
2023	661	436	461	1,558
2024	695	445	470	1,610
2025	448	249	263	960
2026	465	254	268	987
2027	477	259	274	1,010
2028	282	135	143	560
2029	296	138	146	580
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	<b>9,485</b>	<b>6,924</b>	<b>7,330</b>	<b>23,739</b>
<b>NPV</b>	<b>4,802</b>	<b>3,826</b>	<b>4,055</b>	<b>12,682</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>12,682,498</b>

**PEC Residential Appliance Recycling - Vintage Year-2010**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2010	176	30	33	239
2011	180	31	33	244
2012	196	32	34	262
2013	202	33	35	269
2014	283	33	35	352
2015	300	34	36	370
2016	312	35	37	384
2017	327	36	38	400
2018	349	36	38	424
2019	366	37	39	442
2020	0	0	0	0
2021	0	0	0	0
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
2025	0	0	0	0
2026	0	0	0	0
2027	0	0	0	0
2028	0	0	0	0
2029	0	0	0	0
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	<b>2,692</b>	<b>337</b>	<b>358</b>	<b>3,387</b>
<b>NPV</b>	<b>1,840</b>	<b>241</b>	<b>256</b>	<b>2,337</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>2,336,853</b>



**PEC Energy Efficiency Business - Vintage Year-2010**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2010	1,794	462	497	2,753
2011	1,640	474	507	2,622
2012	2,145	487	518	3,150
2013	1,855	500	528	2,883
2014	2,597	510	539	3,646
2015	2,711	520	550	3,781
2016	2,824	531	561	3,916
2017	2,956	541	572	4,069
2018	3,148	552	583	4,284
2019	3,303	563	595	4,461
2020	3,471	575	607	4,653
2021	3,618	586	619	4,823
2022	3,689	581	613	4,882
2023	3,834	592	626	5,051
2024	3,783	581	614	4,978
2025	2,701	474	501	3,676
2026	2,819	484	511	3,814
2027	2,918	493	521	3,932
2028	3,087	503	532	4,121
2029	3,227	513	542	4,283
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	<b>58,118</b>	<b>10,524</b>	<b>11,136</b>	<b>79,778</b>
<b>NPV</b>	<b>28,475</b>	<b>5,497</b>	<b>5,825</b>	<b>39,797</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>39,796,763</b>

**PEC CIG DR - Vintage Year-2010**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2010	245	0	689	934
2011	61	0	702	763
2012	56	0	716	772
2013	67	0	731	798
2014	81	0	745	827
2015	-15	0	760	745
2016	-23	0	775	752
2017	-25	0	791	766
2018	-13	0	807	794
2019	-19	0	823	804
2020	-5	0	839	834
2021	-4	0	856	852
2022	-3	0	873	870
2023	-9	0	891	882
2024	-7	0	909	902
2025	-5	0	927	922
2026	16	0	945	961
2027	3	0	964	968
2028	1	0	983	985
2029	23	0	1,003	1,026
2030	16	0	1,023	1,039
2031	18	0	1,044	1,061
2032	14	0	1,065	1,079
2033	13	0	1,086	1,099
2034	19	0	1,108	1,126
2035	16	0	1,130	1,146
2036	13	0	1,152	1,165
2037	20	0	1,175	1,195
2038	20	0	1,199	1,219
2039	19	0	1,223	1,242
<b>NOMINAL</b>	<b>593</b>	<b>0</b>	<b>27,935</b>	<b>28,528</b>
<b>NPV</b>	<b>430</b>	<b>0</b>	<b>10,134</b>	<b>10,564</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>10,564,429</b>

## Residential EnergyWise - Vintage Year-2010

YEAR	BENEFITS			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) TOTAL BENEFITS \$(000)
2010	529	0	3,823	4,352
2011	305	0	3,900	4,205
2012	325	0	3,978	4,303
2013	366	0	4,058	4,423
2014	394	0	4,139	4,533
2015	-121	0	4,221	4,100
2016	-166	0	4,306	4,139
2017	-187	0	4,392	4,205
2018	-117	0	4,480	4,363
2019	-151	0	4,569	4,419
2020	-80	0	4,661	4,581
2021	-71	0	4,754	4,683
2022	-73	0	4,849	4,776
2023	-110	0	4,946	4,837
2024	-101	0	5,045	4,944
2025	-89	0	5,146	5,057
2026	20	0	5,249	5,269
2027	-52	0	5,354	5,302
2028	-68	0	5,461	5,392
2029	45	0	5,570	5,615
2030	-5	0	5,682	5,676
2031	4	0	5,795	5,800
2032	-9	0	5,911	5,902
2033	-15	0	6,029	6,014
2034	2	0	6,150	6,152
2035	-11	0	6,273	6,262
2036	-34	0	6,398	6,364
2037	-8	0	6,526	6,518
2038	-5	0	6,657	6,652
2039	-20	0	6,790	6,769
NOMINAL	493	0	155,112	155,606
NPV	1,007	0	56,272	57,278
Present Value:		$i=8.03%$		57,278,141

**PEC Residential Lighting Program - Vintage Year-2011**

YEAR	<b>BENEFITS</b>			
	(1)	(2)	(3)	(4)
	TOTAL FUEL & O&M SAVINGS \$(000)	AVOIDED T&D CAP. COSTS \$(000)	AVOIDED GEN. CAP. COSTS \$(000)	<b>TOTAL BENEFITS</b> \$(000)
2011	3,360	478	511	4,349
2012	4,148	490	521	5,160
2013	3,780	503	532	4,815
2014	5,310	513	542	6,366
2015	7,372	524	553	8,449
2016	5,894	534	564	6,992
2017	6,173	545	576	7,293
2018	0	0	0	0
2019	0	0	0	0
2020	0	0	0	0
2021	0	0	0	0
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
2025	0	0	0	0
2026	0	0	0	0
2027	0	0	0	0
2028	0	0	0	0
2029	0	0	0	0
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	<b>36,037</b>	<b>3,587</b>	<b>3,799</b>	<b>43,424</b>
<b>NPV</b>	<b>27,953</b>	<b>2,860</b>	<b>3,031</b>	<b>33,844</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>33,844,062</b>

**PEC Residential Home Advantage - Vintage Year-2011**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2011	167	81	86	334
2012	182	83	88	354
2013	189	85	90	365
2014	263	87	92	442
2015	269	89	94	451
2016	281	90	95	467
2017	295	92	97	485
2018	315	94	99	508
2019	331	96	101	528
2020	349	98	103	550
2021	364	100	105	569
2022	377	102	108	587
2023	393	104	110	606
2024	412	106	112	629
2025	437	108	114	660
2026	352	78	82	512
2027	365	79	84	527
2028	387	81	85	553
2029	400	81	86	567
2030	413	83	87	583
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	6,540	1,815	1,920	10,276
<b>NPV</b>	3,115	954	1,009	5,078
<b>Present Value:</b>		<i>i=8.03%</i>		5,078,297

**PEC Residential Home Energy Improvement - Vintage Year-2011**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2011	336	354	379	1,069
2012	362	353	376	1,092
2013	378	363	383	1,124
2014	515	370	391	1,276
2015	495	378	399	1,272
2016	518	385	407	1,310
2017	543	393	415	1,351
2018	584	401	423	1,408
2019	614	409	432	1,454
2020	651	417	440	1,508
2021	640	403	426	1,468
2022	668	411	434	1,513
2023	690	419	443	1,552
2024	726	428	452	1,606
2025	771	436	461	1,667
2026	435	244	258	936
2027	445	249	263	957
2028	471	254	268	992
2029	319	151	160	630
2030	327	155	163	645
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	<b>10,487</b>	<b>6,971</b>	<b>7,371</b>	<b>24,829</b>
<b>NPV</b>	<b>5,386</b>	<b>3,856</b>	<b>4,080</b>	<b>13,322</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>13,321,999</b>

**PEC Residential Appliance Recycling - Vintage Year-2011**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2011	281	49	52	382
2012	307	50	53	410
2013	316	51	54	422
2014	444	52	55	552
2015	469	53	57	579
2016	489	55	58	601
2017	513	56	59	628
2018	546	57	60	663
2019	573	58	61	692
2020	600	59	62	721
2021	0	0	0	0
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
2025	0	0	0	0
2026	0	0	0	0
2027	0	0	0	0
2028	0	0	0	0
2029	0	0	0	0
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	<b>4,538</b>	<b>540</b>	<b>572</b>	<b>5,650</b>
<b>NPV</b>	<b>3,113</b>	<b>386</b>	<b>409</b>	<b>3,908</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>3,908,280</b>

**PEC Energy Efficiency Business - Vintage Year-2011**

YEAR	<b>BENEFITS</b>			
	(1)	(2)	(3)	(4)
	TOTAL FUEL & O&M SAVINGS \$(000)	AVOIDED T&D CAP. COSTS \$(000)	AVOIDED GEN. CAP. COSTS \$(000)	TOTAL BENEFITS \$(000)
2011	2,086	747	799	3,631
2012	2,646	767	816	4,229
2013	2,381	792	837	4,009
2014	3,325	808	854	4,987
2015	3,444	825	871	5,140
2016	3,586	841	889	5,316
2017	3,752	858	906	5,516
2018	3,996	875	924	5,796
2019	4,191	893	943	6,027
2020	4,404	911	962	6,277
2021	4,595	929	981	6,505
2022	4,760	948	1,001	6,708
2023	4,353	801	846	6,000
2024	5,102	817	863	6,782
2025	4,482	777	821	6,079
2026	4,542	775	818	6,135
2027	5,327	790	835	6,952
2028	4,971	806	852	6,629
2029	5,197	822	869	6,888
2030	5,377	839	886	7,101
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	<b>82,516</b>	<b>16,619</b>	<b>17,571</b>	<b>116,706</b>
<b>NPV</b>	<b>39,436</b>	<b>8,740</b>	<b>9,248</b>	<b>57,425</b>
<b>Present Value:</b>		<i>i=8.03%</i>		<b>57,424,662</b>



## PEC CIG DR - Vintage Year-2011

YEAR	BENEFITS			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) TOTAL BENEFITS \$(000)
2011	118	0	1,435	1,553
2012	114	0	1,464	1,578
2013	138	0	1,493	1,631
2014	166	0	1,523	1,690
2015	-32	0	1,554	1,521
2016	-49	0	1,585	1,536
2017	-54	0	1,616	1,562
2018	-29	0	1,649	1,620
2019	-39	0	1,682	1,642
2020	-15	0	1,715	1,701
2021	-9	0	1,750	1,741
2022	-9	0	1,785	1,776
2023	-22	0	1,820	1,799
2024	-17	0	1,857	1,840
2025	-11	0	1,894	1,883
2026	31	0	1,932	1,963
2027	5	0	1,970	1,976
2028	1	0	2,010	2,010
2029	46	0	2,050	2,096
2030	28	0	2,091	2,119
2031	35	0	2,133	2,167
2032	30	0	2,176	2,206
2033	26	0	2,219	2,245
2034	36	0	2,263	2,300
2035	31	0	2,309	2,340
2036	27	0	2,355	2,382
2037	38	0	2,402	2,440
2038	43	0	2,450	2,493
2039	37	0	2,499	2,536
NOMINAL	665	0	55,679	56,345
NPV	388	0	20,853	21,241
Present Value:		<i>i=8.03%</i>		21,240,848

## Residential EnergyWise - Vintage Year-2011

YEAR	BENEFITS			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) TOTAL BENEFITS \$(000)
2011	304	0	3,876	4,180
2012	323	0	3,954	4,276
2013	364	0	4,033	4,397
2014	392	0	4,113	4,505
2015	-124	0	4,195	4,072
2016	-169	0	4,279	4,111
2017	-189	0	4,365	4,176
2018	-120	0	4,452	4,332
2019	-154	0	4,541	4,387
2020	-83	0	4,632	4,549
2021	-74	0	4,725	4,651
2022	-76	0	4,819	4,743
2023	-113	0	4,916	4,803
2024	-105	0	5,014	4,909
2025	-92	0	5,114	5,022
2026	17	0	5,217	5,233
2027	-56	0	5,321	5,265
2028	-72	0	5,427	5,355
2029	41	0	5,536	5,577
2030	-10	0	5,647	5,637
2031	0	0	5,760	5,759
2032	-14	0	5,875	5,861
2033	-20	0	5,992	5,972
2034	-3	0	6,112	6,109
2035	-16	0	6,234	6,218
2036	-39	0	6,359	6,320
2037	-13	0	6,486	6,473
2038	-8	0	6,616	6,608
2039	-27	0	6,748	6,722
NOMINAL	-136	0	150,359	150,223
NPV	482	0	56,312	56,793
Present Value:		<i>i=8.03%</i>		56,793,200

**Residential EE Benchmarking Program -Vintage Year-2011**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2011	913	159	217	1,289
2012	0	0	0	0
2013	0	0	0	0
2014	0	0	0	0
2015	0	0	0	0
2016	0	0	0	0
2017	0	0	0	0
2018	0	0	0	0
2019	0	0	0	0
2020	0	0	0	0
2021	0	0	0	0
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
2025	0	0	0	0
2026	0	0	0	0
2027	0	0	0	0
2028	0	0	0	0
2029	0	0	0	0
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
<b>NOMINAL</b>	913	159	217	1,289
<b>NPV</b>	913	159	217	1,289
<b>Present Value:</b>		<i>i=8.03%</i>		1,289,059

## Progress Energy Carolinas, Inc.

### Net Lost Revenue Summary

Source	Test Period		Rate Period	
	MWH	Net Lost Rev	MWH	Net Lost Rev
<b>Residential Programs</b>				
Home Advantage	W/P D-2a	356.75 \$ 20,832.39	922.51 \$ 53,371.11	
Home Energy Improvement	W/P D-2b	778.92 45,484.64	2,076.40 120,129.26	
Residential Lighting	W/P D-2c	8,780.59 512,738.91	22,112.34 1,279,297.29	
Neighborhood Energy Saver	W/P D-2d	555.04 32,411.15	1,346.24 77,885.99	
Residential Appliance Recycling	W/P D-2e	374.70 21,880.74	1,533.04 88,692.94	
Residential Benchmarking Program	W/P D-2f	- -	2,083.68 120,550.16	
CFL Pilot Program	W/P D-2g	410.61 23,977.40	- -	
EnergyWise	W/P DR	22.13 1,292.03	- -	
<b>Residential Total</b>		<b>11,278.74 \$ 658,617.27</b>	<b>30,074.21 \$ 1,739,926.76</b>	
<b>Commercial, Industrial and Governmental</b>				
Energy Efficiency For Business	W/P D-2h	5,912.40 \$ 307,763.54	13,112.99 \$ 675,499.44	
CIG Demand Response Program	W/P DR	13.15 684.55	- -	
<b>Commercial, Ind and Govt Total</b>		<b>5,925.55 \$ 308,448.09</b>	<b>13,112.99 \$ 675,499.44</b>	
<b>System Total</b>		<b>17,204.29 \$ 967,065.36</b>	<b>43,187.20 \$ 2,415,426.21</b>	



Home Advantage

	Start Date	End Date	Source Documents for Recovered Lost MWHS	Vintage 2009 Recoveries			Vintage 2010 Recoveries			Vintage 2011 Recoveries			Vintage 2012 Recoveries			Σ Recovered Net Lost Revenue			
				MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	
2009-191-E	Test Period Net Recoveries	Sep-07 to Mar-09	Refer to Workpaper D-2 employed in Docket No. 2009-191-E	2.68	\$ 59.28	\$ 158.63	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	2.68	\$ 59.28	\$ 158.63
2010-161-E	Test Period Net Recoveries	Apr-09 to Mar-10	Refer to Workpaper D-3 employed in Docket No. 2010-161-E	67.54	\$ 58.67	3,962.98	5.71	\$ 58.67	\$ 334.85	-	-	-	-	-	-	-	73.25	\$ 58.67	\$ 4,297.83
<i>Vintage Amounts thru 2010-161-E</i>				70.22	\$	4,121.61	5.71	\$	334.85	-	\$	-	-	\$	-	-	75.93		\$ 4,456.46
2011-XXX-E	Test Period Net Recoverables	Apr-10 to Mar-11	Amounts from Current Test Period (April 2010 thru March 2011)	96.26	\$ 58.39	5,620.90	224.66	\$ 58.39	13,118.65	35.84	\$ 58.39	2,092.84	-	-	-	356.75	\$ 58.39	\$ 20,832.39	
<i>Vintage Amounts thru 2011-XXX-E</i>				166.48	\$ 58.39	9,742.51	230.36	\$ 58.39	13,453.50	35.84	\$ 58.39	2,092.84	-	\$ -	\$ -	-	432.68	\$ 58.39	\$ 25,288.85
2011-XXX-E	Rate Period Forecast	Jul-11 to Jun-12	Sum of Rate Period Values ( <i>Jul-11 thru Jun-12</i> )	84.67	\$ 57.85	4,898.32	312.43	\$ 57.85	18,075.69	456.56	\$ 57.85	26,413.93	68.85	\$ 57.85	\$ 3,983.18	922.51	\$ 57.85	\$ 53,371.11	



Home Energy Improvement

	Start Date	End Date	Source Documents for Recovered Lost MWHs	Vintage 2009 Recoveries			Vintage 2010 Recoveries			Vintage 2011 Recoveries			Vintage 2012 Recoveries			Σ Recovered Net Lost Revenue				
				MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery		
2009-191-E	Test Period Net Recoveries	Sep-07 to Mar-09	Refer to Workpaper D-2 employed in Docket No. 2009-191-E	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	
2010-161-E	Test Period Net Recoveries	Apr-09 to Mar-10	Refer to Workpaper D-3 employed in Docket No. 2010-161-E	336.29	\$ 58.67	\$ 19,731.10	102.65	\$ 58.67	\$ 6,022.86	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	25,753.96	
<i>Vintage Amounts thru 2010-161-E</i>				336.29	\$	\$ 19,731.10	102.65	\$	\$ 6,022.86	-	\$	\$ -	-	\$	\$ -	-	\$	\$ 438.94	\$ 25,753.96	
2011-XXX-E	Test Period Net Recoveries	Apr-10 to Mar-11	Amounts from Current Test Period (April 2010 thru March 2011)	62.65	\$ 58.39	\$ 3,658.33	643.24	\$ 58.39	\$ 37,561.67	73.03	\$ 58.39	\$ 4,264.64	-	\$ -	\$ -	-	\$ -	\$ -	45,484.64	
<i>Vintage Amounts thru 2011-XXX-E</i>				398.94	\$ 58.39	\$ 23,389.43	745.89	\$ 58.39	\$ 43,584.53	73.03	\$ 58.39	\$ 4,264.64	-	\$ -	\$ -	-	\$ -	\$ -	\$ 1,217.86	\$ 71,238.60
2011-XXXX-E	Rate Period Forecast	Jul-11 to Jun-12	Sum of Rate Period Values ( <i>Jul-11 thru Jun-12</i> )	243.55	\$ 57.85	\$ 14,090.25	842.95	\$ 57.85	\$ 48,768.48	795.79	\$ 57.85	\$ 46,040.22	194.11	\$ 57.85	\$ 11,230.31	2,076.40	\$ 57.85	\$ 120,129.26		





Residential Lighting

	Start Date	End Date	Source Documents for Recovered Lost MMHS	Vintage 2009 Recoveries			Vintage 2010 Recoveries			Vintage 2011 Recoveries			Vintage 2012 Recoveries			I Recovered Net Lost Revenue								
				MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery						
2009-191-E	Test Period Net Recoveries	Sep-07	to	Mar-09	Refer to Workpaper D-2 employed in Docket No. 2009-191-E	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-			
2010-161-E	Test Period Net Recoveries	Apr-09	to	Mar-10	Refer to Workpaper D-3 employed in Docket No. 2010-161-E	-	-	-	216.92	58.67	\$ 12,727.36	-	-	-	-	-	-	216.92	\$ 58.67	\$ 12,727.36				
<i>Vintage Amounts thru 2010-161-E</i>					Sum of Amounts from Prior Proceedings					-	\$ -	-	216.92		\$ -	-	216.92		\$ 12,727.36					
2011-XXX-E	Test Period Net Recoveries	Apr-10	to	Mar-11	Amounts from Current Test Period (April 2010 thru March 2011)	-	\$ -	-	8,336.18	\$ 58.39	486,787.86	444.41	\$ 58.39	25,951.05	-	-	-	8,780.59	\$ -	-	\$ 512,738.91			
<i>Vintage Amounts thru 2011-XXX-E</i>					Sum of Amounts from Current and Prior Proceedings					-	\$ -	-	8,553.10	\$ 58.39	\$ 499,515.22	444.41	\$ 58.39	\$ 25,951.05	-	\$ -	\$ -	8,997.51	\$ -	\$ 525,466.27
2011-XXX-E	Rate Period Forecast	Jul-11	to	Jun-12	Sum of Rate Period Values ( <i>Jul-11 thru Jun-12</i> )	-	-	\$ -	11,077.07	\$ 57.85	\$ 640,857.81	9,608.45	\$ 57.85	\$ 555,891.43	1,426.82	\$ 57.85	\$ 82,548.05	22,112.34	\$ 57.85	\$ 1,279,297.29				

Neighborhood Energy Saver

Progress Energy Carolinas, Inc.

Recoverable Sales Reductions from Energy Efficiency Programs (MWH): Residential Neighborhood Energy Saver Program (Low Income)

Month	NA/NAI	Vintage - 2009				Vintage - 2010				Vintage - 2011				Vintage - 2012				Vintage - 2009 (South Carolina)				Vintage - 2010 (South Carolina)				Vintage - 2011 (South Carolina)				Vintage - 2012 (South Carolina)				Σ All Vintages (South Carolina)															
		Additions (W/P D-34)		Recoverable Additions	Recoverable Losses	Additions		Recoverable Additions	Recoverable Losses	Additions		Recoverable Additions	Recoverable Losses	Additions		Recoverable Additions	Recoverable Losses	Allocation Factor (SC)	Recoverable Losses	Recovered Losses	Over/(Under) Recovery	Recoverable Losses	Recovered Losses	Over/(Under) Recovery	Recoverable Losses	Recovered Losses	Over/(Under) Recovery	Recoverable Losses	Recovered Losses	Over/(Under) Recovery	Recoverable Losses	Recovered Losses	Over/(Under) Recovery	Recoverable Losses	Recovered Losses	Over/(Under) Recovery													
		MWH	KW			MWH	KW			MWH	KW			MWH	KW																						MWH	KW	MWH	KW	MWH	KW	Σ Recovery	Σ Recovery	Σ Recovery	Σ Recovery			
		NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI	NA	NAI												
Jan-09	NA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sum of Additions x 3 & Recoverable		1,734.43		1,734.43	12,848.16		12,848.16	12,772.99		12,772.99	12,528.00		12,528.00	Sum of Actuals		121.69		121.69	-	463.83		463.83	-	25.96		25.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Amounts Do Not Include Current Rate Period

Neighborhood Energy Saver

	Start Date	End Date	Source Documents for Recovered Lost MMHS	Vintage 2009 Recoveries			Vintage 2010 Recoveries			Vintage 2011 Recoveries			Vintage 2012 Recoveries			I Recovered Net Lost Revenue		
				MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery
2009-191-E	Test Period Net Recoveries	Sep-07 to Mar-09	Refer to Workpaper D-2 employed in Docket No. 2009-191-E	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
2010-161-E	Test Period Net Recoveries	Apr-09 to Mar-10	Refer to Workpaper D-3 employed in Docket No. 2010-161-E	36.46	58.67	2,139.10	19.98	58.67	\$ 1,172.29	-	-	-	-	-	-	56.44	58.67	\$ 3,311.39
<i>Vintage Amounts thru 2010-161-E</i>				36.46		\$ 2,139.10	19.98		\$ 1,172.29	-		\$ -	-		\$ -	56.44		\$ 3,311.39
2011-XXX-E	Test Period Net Recoveries	Apr-10 to Mar-11	Amounts from Current Test Period (April 2010 thru March 2011)	85.23	\$ 58.39	4,976.88	443.85	\$ 58.39	25,918.23	25.96	\$ 58.39	1,516.04	-	-	-	555.04	\$ 58.39	\$ 32,411.15
<i>Vintage Amounts thru 2011-XXX-E</i>				121.69	\$ 58.39	\$ 7,115.98	463.83	\$ 58.39	\$ 27,090.51	25.96	\$ 58.39	\$ 1,516.04	-	\$ -	\$ -	611.48	\$ 58.39	\$ 35,722.54
2011-XXX-E	Rate Period Forecast	Jul-11 to Jun-12	Sum of Rate Period Values (Jul-11 thru Jun-12)	83.66	\$ 57.85	\$ 4,839.96	619.71	\$ 57.85	\$ 35,852.96	555.05	\$ 57.85	\$ 32,112.29	87.82	\$ 57.85	\$ 5,080.79	1,346.24	\$ 57.85	\$ 77,885.99



Residential Appliance Recycling

	Start Date	End Date	Source Documents for Recovered Lost MWHS	Vintage 2009 Recoveries			Vintage 2010 Recoveries			Vintage 2011 Recoveries			Vintage 2012 Recoveries			Σ Recovered Net Lost Revenue						
				MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery				
2009-191-E	Test Period Net Recoveries	Sep-07	to	Mar-09	Refer to Workpaper D-2 employed in Docket No. 2009-191-E	-	\$	-	\$	-	-	\$	-	\$	-	-	\$	-	\$	-		
2010-161-E	Test Period Net Recoveries	Apr-09	to	Mar-10	Refer to Workpaper D-3 employed in Docket No. 2010-161-E	-	\$	-	\$	-	-	-	-	-	-	-	\$	-	\$	-		
<i>Vintage Amounts thru 2010-161-E</i>				Sum of Amounts from Prior Proceedings	-	\$	-	\$	-	-	\$	-	\$	-	\$	-	-	\$	-	\$	-	
2011-XXX-E	Test Period Net Recoveries	Apr-10	to	Mar-11	Amounts from Current Test Period (April 2010 thru March 2011)	-	\$	-	-	353.69	(W/P D-3) \$ 58.39	20,653.70	21.01	(W/P D-3) \$ 58.39	1,227.04	-	-	374.70	\$	-	(W/P D-2) \$ 21,880.74	
<i>Vintage Amounts thru 2011-XXX-E</i>				Sum of Amounts from Current and Prior Proceedings	-	\$	-	\$	-	353.69	\$ 58.39	\$ 20,653.70	21.01	\$ 58.39	\$ 1,227.04	-	\$	-	\$	-	\$ 21,880.74	
2011-XXX-E	Rate Period Forecast	Jul-11	to	Jun-12	Sum of Rate Period Values (Jul-11 thru Jun-12)	-	\$	-	\$	-	582.52	(W/P D-3) \$ 57.85	\$ 33,701.29	813.61	(W/P D-3) \$ 57.85	\$ 47,070.91	136.91	(W/P D-3) \$ 57.85	\$ 7,920.74	1,533.04	\$ 57.85	(W/P D-2) \$ 88,692.94



Residential Benchmarking

	Start Date	End Date	Source Documents for Recovered Lost MWHS	Vintage 2009 Recoveries			Vintage 2010 Recoveries			Vintage 2011 Recoveries			Vintage 2012 Recoveries			Σ Recovered Net Lost Revenue				
				MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery		
2009-191-E	Test Period Net Recoveries	Sep-07 to Mar-09	Refer to Workpaper D-2 employed in Docket No. 2009-191-E	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	
2010-161-E	Test Period Net Recoveries	Apr-09 to Mar-10	Refer to Workpaper D-3 employed in Docket No. 2010-161-E	-	\$ -	-	-	\$ -	\$ -	-	-	-	-	-	-	-	\$ -	\$ -	-	
<i>Vintage Amounts thru 2010-161-E</i>				-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	\$ -	
2011-XXX-E	Test Period Net Recoveries	Apr-10 to Mar-11	Amounts from Current Test Period (April 2010 thru March 2011)	-	\$ -	-	(NWP D-3) -	\$ 58.39	-	-	(NWP D-3) -	\$ 58.39	-	-	-	-	-	\$ -	To W/P D-2 -	
<i>Vintage Amounts thru 2011-XXX-E</i>				-	\$ -	-	-	\$ 58.39	\$ -	-	\$ 58.39	\$ -	-	\$ -	\$ -	-	-	\$ -	-	\$ -
2011-XXXX-E	Rate Period Forecast	Jul-11 to Jun-12	Sum of Rate Period Values (Jul-11 thru Jun-12)	-	\$ -	-	(NWP D-3) -	\$ 57.85	\$ -	1,910.04	(NWP D-3) -	\$ 57.85	\$ 110,504.32	173.64	(NWP D-3) -	\$ 57.85	\$ 10,045.85	2,083.68	\$ 57.85	To W/P D-2 \$ 120,550.16







CIG Energy Efficiency Program

	Start Date	End Date	Source Documents for Recovered Lost MWHs	Vintage 2009 Recoveries			Vintage 2010 Recoveries			Vintage 2011 Recoveries			Vintage 2012 Recoveries			Σ Recovered Net Lost Revenue		
				MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery	MWH	Rate	Recovery
2009-191-E	Test Period Net Recoveries	Sep-07 to Mar-09	Refer to Workpaper D-2 employed in Docket No. 2009-191-E	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
2010-161-E	Test Period Net Recoveries	Apr-09 to Mar-10	Refer to Workpaper D-3 employed in Docket No. 2010-161-E	1,272.41	\$ 52.26	66,499.80	239.76	\$ 52.26	12,530.74	-	-	-	-	-	-	1,512.17	\$ 52.26	\$ 79,030.54
<b>Sum of Vintage Recovery Amounts thru 2010-161-E</b>				1,272.41		\$ 66,499.80	239.76		\$ 12,530.74	-		\$ -	-		\$ -	1,512.17		\$ 79,030.54
2011-XXX-E	Test Period Net Recoveries	Apr-10 to Mar-11	Amounts from Current Test Period (April 2010 thru March 2011)		(W/P D-3) \$ 52.05	104,240.34	3,629.97	(W/P D-3) \$ 52.05	188,953.90	279.89	(W/P D-3) \$ 52.05	14,569.30	-	\$ -	-	5,912.40	\$ 52.05	To W/P D-2 \$ 307,763.54
<b>Sum of Vintage Recovery Amounts thru 2011-XXX-E</b>				3,274.95	(W/P D-3) \$ 52.05	\$ 170,740.14	3,869.73	(W/P D-3) \$ 52.05	\$ 201,484.64	279.89	(W/P D-3) \$ 52.05	\$ 14,569.30	-	\$ -	\$ -	7,424.57	\$ 52.05	\$ 386,794.08
2011-XXX-E	Rate Period Forecast	Jul-11 to Jun-12	Sum of Rate Period Values (Jul-11 thru Jun-12)	1,903.07	(W/P D-3) \$ 51.51	\$ 98,034.50	4,740.11	(W/P D-3) \$ 51.51	\$ 244,181.04	5,624.61	(W/P D-3) \$ 51.51	\$ 289,744.85	845.19	(W/P D-3) \$ 51.51	\$ 43,539.05	13,112.99	\$ 51.51	To W/P D-2 \$ 675,499.44

## Progress Energy Carolinas, Inc.

Determination of Net Lost Revenues Associated With DSM Programs

### EnergyWise Summer

	Vintage kW 2009	Vintage ΣkW 2009	Vintage kW 2010	Vintage ΣkW 2010	Vintage kW 2011	Vintage ΣkW 2011	Vintage kW 2009	Vintage kW 2010	Vintage kW 2011	MWH Savings	Vintage MWh 2009	Vintage MWh 2010	Vintage MWh 2011		
	(a)	(b) = Σ(a)	(c)	(d) = Σ(c)	(e)	(f) = Σ(e)	(g)=(b)/[(b)+(e)+(g)]	(h)=(e)/[(b)+(e)+(g)]	(i)=(g)/[(b)+(e)+(g)]	(j) W/P D-3B	(k) = (h) x (j)	(l) = (i) x (j)	(m) = (j) x (j)		
Jan-09	-	-	-	-	-	-	-	-	-	-	-	-	-		
Feb-09	-	-	-	-	-	-	-	-	-	-	-	-	-		
Mar-09	-	-	-	-	-	-	-	-	-	-	-	-	-		
Apr-09	211.8	211.8	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-		
May-09	579.6	791.4	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-		
Jun-09	1,395.0	2,186.4	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-		
Jul-09	1,639.0	3,825.4	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-		
Aug-09	1,766.0	5,591.4	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-		
Sep-09	2,019.0	7,610.4	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-		
Oct-09	2,175.0	9,785.4	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-		
Nov-09	1,639.0	11,424.4	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-		
Dec-09	1,793.0	13,217.4	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-		
Jan-10	-	13,217.4	2,464.0	2,464.0	-	-	84.3%	15.7%	0.0%	-	-	-	-		
Feb-10	-	13,217.4	2,554.0	5,018.0	-	-	72.5%	27.5%	0.0%	-	-	-	-		
Mar-10	-	13,217.4	3,725.0	8,743.0	-	-	60.2%	39.8%	0.0%	-	-	-	-		
Apr-10	-	13,217.4	3,865.0	12,608.0	-	-	51.2%	48.8%	0.0%	-	-	-	-		
May-10	-	13,217.4	3,748.0	16,356.0	-	-	44.7%	55.3%	0.0%	30.76	13.75	17.01	-		
Jun-10	-	13,217.4	3,558.0	19,914.0	-	-	39.9%	60.1%	0.0%	34.46	13.75	20.71	-		
Jul-10	-	13,217.4	3,900.0	23,814.0	-	-	35.7%	64.3%	0.0%	38.51	13.75	24.77	-		
Aug-10	-	13,217.4	3,930.0	27,744.0	-	-	32.3%	67.7%	0.0%	42.60	13.75	28.85	-		
Sep-10	-	13,217.4	3,602.0	31,346.0	-	-	29.7%	70.3%	0.0%	-	-	-	-		
Oct-10	-	13,217.4	3,555.0	34,901.0	-	-	27.5%	72.5%	0.0%	-	-	-	-		
Nov-10	-	13,217.4	2,690.0	37,591.0	-	-	26.0%	74.0%	0.0%	-	-	-	-		
Dec-10	-	13,217.4	2,592.0	40,183.0	-	-	24.8%	75.2%	0.0%	2.54	0.63	1.91	-		
Jan-11	-	13,217.4	-	40,183.0	2,620.0	2,620.0	23.6%	71.7%	4.7%	2.70	0.64	1.94	0.13		
Feb-11	-	13,217.4	-	40,183.0	3,030.0	5,650.0	22.4%	68.0%	9.6%	-	-	-	-		
Mar-11	-	13,217.4	-	40,183.0	3,474.0	9,124.0	21.1%	64.3%	14.6%	-	-	-	-		
Recoverable Lost Sales (MWHs)										151.57	56.25	95.19	0.13		
SC DSM Jurisdictional Allocation Factor (W/P B, Line 3)											14.11%	14.11%	14.11%		
Recoverable Jurisdictional Net Lost Sales (MWHs)										21.39	7.94	13.43	0.02		
Net Lost Revenue Rate per MWH (W/P D-3, Line 21)										\$	58.39	\$	58.39	\$	58.39
Recoverable Net Lost Revenues (By Vintage)										\$	463.48	\$	784.32	\$	1.04
Recoverable Net Lost Revenues (Total)											\$ 1,248.84				

### Progress Energy Carolinas, Inc.

Determination of Net Lost Revenues Associated With DSM Programs

#### EnergyWise Winter

	Vintage kW 2009	Vintage ΣkW 2009	Vintage kW 2010	Vintage ΣkW 2010	Vintage kW 2011	Vintage ΣkW 2011	Vintage kW 2009	Vintage kW 2010	Vintage kW 2011	MWH Savings	Vintage MWh 2009	Vintage MWh 2010	Vintage MWh 2011
	(a)	(b) = Σ(a)	(c)	(d) = Σ(c)	(e)	(f) = Σ(e)	(g)=(b)/[(b)+(e)+(g)]	(h)=(e)/[(b)+(e)+(g)]	(i)=(g)/[(b)+(e)+(g)]	(j) W/P D-3B	(k) = (h) x (j)	(l) = (i) x (j)	(m) = (j) x (j)
Jan-09	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb-09	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar-09	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr-09	-	-	-	-	-	-	-	-	-	-	-	-	-
May-09	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun-09	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul-09	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug-09	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep-09	22.0	22.0	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-
Oct-09	78.0	100.0	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-
Nov-09	95.0	195.0	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-
Dec-09	136.0	331.0	-	-	-	-	100.0%	0.0%	0.0%	-	-	-	-
Jan-10	-	331.0	163.0	163.0	-	-	67.0%	33.0%	0.0%	-	-	-	-
Feb-10	-	331.0	209.0	372.0	-	-	47.1%	52.9%	0.0%	-	-	-	-
Mar-10	-	331.0	238.0	610.0	-	-	35.2%	64.8%	0.0%	-	-	-	-
Apr-10	-	331.0	242.0	852.0	-	-	28.0%	72.0%	0.0%	-	-	-	-
May-10	-	331.0	259.0	1,111.0	-	-	23.0%	77.0%	0.0%	-	-	-	-
Jun-10	-	331.0	233.0	1,344.0	-	-	19.8%	80.2%	0.0%	-	-	-	-
Jul-10	-	331.0	186.0	1,530.0	-	-	17.8%	82.2%	0.0%	-	-	-	-
Aug-10	-	331.0	218.0	1,748.0	-	-	15.9%	84.1%	0.0%	-	-	-	-
Sep-10	-	331.0	299.0	2,047.0	-	-	13.9%	86.1%	0.0%	-	-	-	-
Oct-10	-	331.0	258.0	2,305.0	-	-	12.6%	87.4%	0.0%	-	-	-	-
Nov-10	-	331.0	177.0	2,482.0	-	-	11.8%	88.2%	0.0%	-	-	-	-
Dec-10	-	331.0	170.0	2,652.0	-	-	11.1%	88.9%	0.0%	2.54	0.28	2.26	-
Jan-11	-	331.0	-	2,652.0	187.0	187.0	10.4%	83.7%	5.9%	2.70	0.28	2.26	0.16
Feb-11	-	331.0	-	2,652.0	198.0	385.0	9.8%	78.7%	11.4%	-	-	-	-
Mar-11	-	331.0	-	2,652.0	361.0	746.0	8.9%	71.1%	20.0%	-	-	-	-

Recoverable Lost Sales (MWHs) 5.24      0.56      4.52      0.16

SC DSM Jurisdictional Allocation Factor (W/P B, Line 3) 14.11%      14.11%      14.11%

Recoverable Jurisdictional Net Lost Sales (MWHs) 0.74      0.08      0.64      0.02

Net Lost Revenue Rate per MWH (W/P D-3, Line 21) \$ 58.39      \$ 58.39      \$ 58.39

Recoverable Net Lost Revenues (By Vintage) \$ 4.65      \$ 37.23      \$ 1.31

Recoverable Net Lost Revenues (Total) \$ 43.19

### Progress Energy Carolinas, Inc.

Determination of Net Lost Revenues Associated With DSM Programs

CIG DR

	Vintage kW 2009	Vintage ΣkW 2009	Vintage kW 2010	Vintage ΣkW 2010	Vintage kW 2011	Vintage ΣkW 2011	Vintage kW 2009	Vintage kW 2010	Vintage kW 2011	MWH Savings	Vintage MWh 2009	Vintage MWh 2010	Vintage MWh 2011		
	(a)	(b) = Σ(a)	(c)	(d) = Σ(c)	(e)	(f) = Σ(e)	(g)=(b)/[(b)+(e)+(g)]	(h)=(e)/[(b)+(e)+(g)]	(i)=(g)/[(b)+(e)+(g)]	(j) W/P D-3B	(k) = (h) x (j)	(l) = (i) x (j)	(m) = (j) x (j)		
Jan-09	-	-													
Feb-09	-	-													
Mar-09	-	-													
Apr-09	-	-													
May-09	-	-													
Jun-09	-	-													
Jul-09	-	-													
Aug-09	-	-													
Sep-09	-	-													
Oct-09	-	-													
Nov-09	-	-													
Dec-09	816.0	816.0					100.0%	0.0%	0.0%	-	-	-	-		
Jan-10		816.0	-	-			100.0%	0.0%	0.0%	-	-	-	-		
Feb-10		816.0	100.0	100.0			89.1%	10.9%	0.0%	-	-	-	-		
Mar-10		816.0	660.0	760.0			51.8%	48.2%	0.0%	-	-	-	-		
Apr-10		816.0	-	760.0			51.8%	48.2%	0.0%	-	-	-	-		
May-10		816.0	905.0	1,665.0			32.9%	67.1%	0.0%	-	-	-	-		
Jun-10		816.0	2,430.0	4,095.0			16.6%	83.4%	0.0%	29.47	4.90	24.57	-		
Jul-10		816.0	400.0	4,495.0			15.4%	84.6%	0.0%	31.87	4.90	26.97	-		
Aug-10		816.0	-	4,495.0			15.4%	84.6%	0.0%	31.87	4.90	26.97	-		
Sep-10		816.0	585.0	5,080.0			13.8%	86.2%	0.0%	-	-	-	-		
Oct-10		816.0	570.0	5,650.0			12.6%	87.4%	0.0%	-	-	-	-		
Nov-10		816.0	900.0	6,550.0			11.1%	88.9%	0.0%	-	-	-	-		
Dec-10		816.0	390.0	6,940.0			10.5%	89.5%	0.0%	-	-	-	-		
Jan-11		816.0		6,940.0	285.0	285.0	10.5%	89.5%	3.5%	-	-	-	-		
Feb-11		816.0		6,940.0	1,065.0	1,350.0	10.5%	89.5%	14.8%	-	-	-	-		
Mar-11		816.0		6,940.0	2,500.0	3,850.0	10.5%	89.5%	33.2%	-	-	-	-		
Recoverable Lost Sales (MWHs)										93.20	14.69	78.51	-		
SC DSM Jurisdictional Allocation Factor (W/P B, Line 3)											14.11%	14.11%	14.11%		
Recoverable Jurisdictional Net Lost Sales (MWHs)										13.15	2.07	11.08	-		
Net Lost Revenue Rate per MWH (W/P D-3, Line 21)										\$	52.06	\$	52.06	\$	52.06
Recoverable Net Lost Revenues (By Vintage)										\$	107.88	\$	576.66	\$	-
Recoverable Net Lost Revenues (Total)													\$	684.55	

PROGRESS ENERGY CAROLINAS, INC.  
Calculation of Net Lost Revenues

		TEST PERIOD(S)			RATE PERIOD			
		General			General			
		Residential	Service	System	Residential	Service	System	
1	Gross Margin (Net of GRT)	<i>WP Input</i>	\$ 61.35	\$ 54.45	\$ 47.65	\$ 61.35	\$ 54.45	\$ 47.65
2	Less: Incremental Variable O&M	<i>From CSP</i>	2.07	2.07	2.07	2.13	2.13	2.13
3	Net Rate for Lost Revenue Determination / MWh	<i>Lines 1 - 2</i>	\$ 59.28	\$ 52.38	\$ 45.58	\$ 59.22	\$ 52.32	\$ 45.52
<b>DSM Programs (Total Lost MWH)</b>								
4	Residential EnergyWise	<i>W/P D-2a</i>	-	-	-	18.23	-	-
5	DSDR	<i>Prior Forecast</i>	-	-	-	-	-	1,581.16
6	CIG DR	<i>W/P D-2b</i>	-	-	-	-	2.61	-
7	Total DSM		-	-	-	18.23	2.61	1,581.16
8	SC Allocation Factors (DSM)	<i>W/P B</i>	13.27%	13.27%	13.27%	13.84%	13.84%	13.84%
<b>DSM Programs (SC Lost MWH)</b>								
9	Residential EnergyWise	<i>Lines 4 X 8</i>	-	-	-	2.52	-	-
10	DSDR	<i>Lines 5 X 8</i>	-	-	-	-	-	218.79
11	CIG DR	<i>Lines 6 X 8</i>	-	-	-	-	0.36	-
12	Total DSM	<i>Σ Lines 9 thru 11</i>	-	-	-	2.52	0.36	218.79
<b>DSM Programs (SC Net Lost Revenues)</b>								
13	Residential EnergyWise	<i>Lines 3 X 9</i>	\$ -	\$ -	\$ -	\$ 149.35	\$ -	\$ -
14	DSDR	<i>Lines 3 X 10</i>	-	-	-	-	-	9,959.16
15	CIG DR	<i>Lines 3 X 11</i>	-	-	-	-	18.93	-
16	Total DSM	<i>Σ Lines 13 thru 15</i>	\$ -	\$ -	\$ -	\$ 149.35	\$ 18.93	\$ 9,959.16
<b>EE Programs (Total Lost MWH)</b>								
17	Residential Home Advantage	<i>W/P D-2a</i>	17.61	-	-	2,707.86	-	-
18	Residential Home Energy Improvement	<i>W/P D-2a</i>	-	-	-	1,560.23	-	-
19	Residential Low Income Program	<i>W/P D-2a</i>	-	-	-	2,824.05	-	-
20	CIG Energy Efficiency	<i>W/P D-2b</i>	-	-	-	-	9,292.72	-
21	Pilot CFL Program	<i>W/P D-2a</i>	10,617.77	-	-	6,705.96	-	-
22	Total EE	<i>Σ Lines 17 thru 21</i>	10,635.38	-	-	13,798.10	9,292.72	-
23	SC Allocation Factors (EE)	<i>W/P B</i>	15.19%	15.19%	15.19%	14.94%	14.94%	15.19%
<b>EE Programs (SC Lost MWH)</b>								
24	Residential Home Advantage	<i>Lines 17 X 23</i>	2.68	-	-	404.64	-	-
25	Residential Home Energy Improvement	<i>Lines 18 X 23</i>	-	-	-	233.15	-	-
26	Residential Low Income Program	<i>Lines 19 X 23</i>	-	-	-	422.00	-	-
27	CIG Energy Efficiency	<i>Lines 20 X 23</i>	-	-	-	-	1,388.62	-
28	Pilot CFL Program	<i>Lines 21 X 23</i>	1,613.24	-	-	1,002.08	-	-
29	Total EE	<i>Σ Lines 24 thru 28</i>	1,615.91	-	-	2,061.86	1,388.62	-
<b>EE Programs (SC Net Lost Revenues)</b>								
30	Residential Home Advantage	<i>Lines 3 X 24</i>	\$ 158.63	\$ -	\$ -	\$ 23,962.65	\$ -	\$ -
31	Residential Home Energy Improvement	<i>Lines 3 X 25</i>	-	-	-	13,806.98	-	-
32	Residential Low Income Program	<i>Lines 3 X 26</i>	-	-	-	24,990.89	-	-
33	CIG Energy Efficiency	<i>Lines 3 X 27</i>	-	-	-	-	72,652.61	-
34	Pilot CFL Program	<i>Lines 3 X 28</i>	95,632.77	-	-	59,343.09	-	-
35	Total EE	<i>Σ Lines 30 thru 34</i>	\$ 95,791.40	\$ -	\$ -	\$ 122,103.61	\$ 72,652.61	\$ -

PROGRESS ENERGY CAROLINAS, INC.  
Calculation of Net Lost Revenues

		TEST PERIOD			RATE PERIOD			
		Residential	General Service	System	Residential	General Service	System	
1	Adjusted Gross Margin (Net of GRT)	WP D-4 <sup>1</sup>	\$ 60.79	\$ 54.38	\$ 47.45	\$ 60.79	\$ 54.38	\$ 47.45
2	Less: Incremental Variable O&M	From CSP	2.12	2.12	2.12	2.17	2.17	2.17
3	Net Rate for Lost Revenue Determination / MWh	Lines 1 - 2	\$ 58.67	\$ 52.26	\$ 45.33	\$ 58.62	\$ 52.21	\$ 45.28
<b>DSM Programs (Total Lost MWH)</b>								
4	Residential EnergyWise	TBD <sup>2</sup>	-	-	-	-	-	-
5	DSDR	TBD <sup>2</sup>	-	-	-	-	-	-
6	CIG DR	TBD <sup>2</sup>	-	-	-	-	-	-
7	Total DSM	Σ Lines 4 thru 6	-	-	-	-	-	-
8	SC Allocation Factors (DSM)	W/P B	13.84%	13.84%	13.84%	14.11%	14.11%	14.11%
<b>DSM Programs (SC Lost MWH)</b>								
9	Residential EnergyWise	Lines 4 X 8	-	-	-	-	-	-
10	DSDR	Lines 5 X 8	-	-	-	-	-	-
11	CIG DR	Lines 6 X 8	-	-	-	-	-	-
12	Total DSM	Σ Lines 9 thru 11	-	-	-	-	-	-
<b>DSM Programs (SC Net Lost Revenues)</b>								
13	Residential EnergyWise	Lines 3 X 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	DSDR	Lines 3 X 10	-	-	-	-	-	-
15	CIG DR	Lines 3 X 11	-	-	-	-	-	-
16	Total DSM	Σ Lines 13 thru 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EE Programs (Total Lost MWH)<sup>1</sup></b>								
17	Residential Home Advantage	W/P D-3a <sup>1</sup>	490.30	-	-	2,186.10	-	-
18	Residential Home Energy Improvement	W/P D-3a <sup>1</sup>	2,938.03	-	-	10,383.93	-	-
19	Residential Low Income Program	W/P D-3a <sup>1</sup>	377.77	-	-	4,862.95	-	-
20	Residential Lighting	W/P D-3a <sup>1</sup>	1,451.95	-	-	60,406.29	-	-
21	Residential Appliance Recycling	W/P D-3a <sup>1</sup>	-	-	-	3,838.35	-	-
22	CIG Energy Efficiency	W/P D-3a <sup>1</sup>	-	10,121.65	-	-	44,196.89	-
23	Pilot CFL Program <sup>3</sup>	W/P D-3a <sup>1</sup>	6,706.00	-	-	2,794.17	-	-
24	Total EE	Σ Lines 17 thru 21	11,964.05	10,121.65	-	84,471.79	44,196.89	-
25	SC Allocation Factors (EE)	W/P B	14.94%	14.94%	14.94%	14.59%	14.59%	14.59%
<b>EE Programs (SC Lost MWH)</b>								
26	Residential Home Advantage	Lines 17 X 25	73.25	-	-	318.95	-	-
27	Residential Home Energy Improvement	Lines 18 X 25	438.94	-	-	1,515.02	-	-
28	Residential Low Income Program	Lines 19 X 25	56.44	-	-	709.50	-	-
29	Residential Lighting	Lines 20 X 25	216.92	-	-	8,813.28	-	-
30	Residential Appliance Recycling	Lines 21 X 25	-	-	-	560.02	-	-
31	CIG Energy Efficiency	Lines 22 X 25	-	1,512.17	-	-	6,448.33	-
32	Pilot CFL Program	Lines 23 X 25	1,001.88	-	-	407.67	-	-
33	Total EE	Σ Lines 26 thru 32	1,787.43	1,512.17	-	12,324.43	6,448.33	-
<b>EE Programs (SC Net Lost Revenues)</b>								
34	Residential Home Advantage	Lines 3 X 26	\$ 4,297.83	\$ -	\$ -	\$ 18,697.85	\$ -	\$ -
34	Residential Home Energy Improvement	Lines 3 X 27	25,753.96	-	-	88,814.43	-	-
35	Residential Low Income Program	Lines 3 X 28	3,311.39	-	-	41,593.12	-	-
35	Residential Lighting	Lines 3 X 29	12,727.36	-	-	516,658.82	-	-
36	Residential Appliance Recycling	Lines 3 X 30	-	-	-	32,829.65	-	-
36	CIG Energy Efficiency	Lines 3 X 31	-	79,030.54	-	-	336,685.62	-
37	Pilot CFL Program	Lines 3 X 32	58,782.87	-	-	23,898.69	-	-
38	Total EE	Σ Lines 34 thru 37	\$ 104,873.41	\$ 79,030.54	\$ -	\$ 722,492.55	\$ 336,685.62	\$ -

<sup>1</sup> Referenced workpapers filed with Direct Testimony and Exhibits in this proceeding on April 30, 2010.

<sup>2</sup> Net Lost Revenues for Event Driven Measures will be based on actual as opposed to estimated events.

<sup>3</sup> CFL Net Lost Revenue Recovery through End of Test Period 2 yrs 7 months. Remaining 5 months reflected in Rate Period.



## PROGRESS ENERGY CAROLINAS, INC.

### Calculation of Net Lost Revenue Rates

<b>Base Revenue Determination</b>		Residential	Commercial	System
1	Revenues (\$000s) <sup>1</sup>	\$ 201,501	\$ 149,274	\$ 514,357
2	Customer Charger Revenues (\$000s)	10,724	3,704	14,910
3	Revenues Net of Customer Charge	\$ 190,777	\$ 145,570	\$ 499,447
4	GRT in Rates	572	437	1,498
5	Revenues Net of Cust Chge & GRT	\$ 190,205	\$ 145,133	\$ 497,949
6	Uncollectible Rates	0.7019%	0.0593%	0.2854%
7	Uncollectible Portion of Rates	\$ 1,335	\$ 86	\$ 1,421
8	Net Revenues	\$ 188,870	\$ 145,047	\$ 496,528
9	Fuel Revenue (\$000s)	56,287	46,655	174,792
10	Adjusted Net Margin	\$ 132,583	\$ 98,392	\$ 321,736
11	Sales (MWHs)	2,182,809	1,808,722	6,781,872
12	Adjusted Base Revenue per MWh (\$)	\$ 60.74	\$ 54.40	\$ 47.44
<b>Net Lost Revenue Rate for Test Period</b>				
13	Adjusted Base Revenue per MWh (\$)	\$ 60.74	\$ 54.40	\$ 47.44
14	2010 Rate Variable O&M Rate per MWh	2.17	2.17	2.17
15	Months in 2010 Calendar Period	9.0	9.0	9.0
16	Product of 2010 Months X VOM Rate	19.56	19.56	19.56
17	2011 Rate Variable O&M Rate per MWh	2.86	2.86	2.86
18	Months in 2011 Calendar Period	3.0	3.0	3.0
19	Product of 2011 Months X VOM Rate	8.580	8.580	8.580
20	Weighted Variable O&M Rate per MWh	\$ 2.34	\$ 2.34	\$ 2.34
21	Net per MWh Rate for Test Period Calculations	\$ 58.39	\$ 52.05	\$ 45.10
<b>Net Lost Revenue Rate for Rate Period</b>				
22	Adjusted Base Revenue per MWh (\$)	\$ 60.74	\$ 54.40	\$ 47.44
23	2011 Rate Variable O&M Rate per MWh	2.86	2.86	2.86
24	Months in 2011 Calendar Period	6.0	6.0	6.0
25	Product of 2011 Months X VOM Rate	17.16	17.16	17.16
26	2012 Rate Variable O&M Rate per MWh	2.91	2.91	2.91
27	Months in 2012 Calendar Period	6.0	6.0	6.0
28	Product of 2012 Months X VOM Rate	17.46	17.46	17.46
29	Weighted Variable O&M Rate per MWh	\$ 2.89	\$ 2.89	\$ 2.89
30	Net per MWh Rate for Rate Period Calculations	\$ 57.85	\$ 51.51	\$ 44.56

<sup>1</sup>All revenue and sales values are based on calendar year 2007 (DSM/EE Baseline)







### Demand Response Program Impact Estimates at the Meter

	CIG DR				Residential Load Control (EnergyWise)					
	MWH	Σ MWH	kW	Σ kW	MWH	Σ MWH	Summer		Winter	
							kW	Σ kW	kW	Σ kW
Jan-09	-	-	-	-	-	-	-	-	-	-
Feb-09	-	-	-	-	-	-	-	-	-	-
Mar-09	-	-	-	-	-	-	-	-	-	-
Apr-09	-	-	-	-	-	-	211.8	211.8	-	-
May-09	-	-	-	-	-	-	579.6	791.4	-	-
Jun-09	-	-	-	-	-	-	1,395.0	2,186.4	-	-
Jul-09	-	-	-	-	-	-	1,639.0	3,825.4	-	-
Aug-09	-	-	-	-	-	-	1,766.0	5,591.4	-	-
Sep-09	-	-	-	-	-	-	2,019.0	7,610.4	22.0	22.0
Oct-09	-	-	-	-	-	-	2,175.0	9,785.4	78.0	100.0
Nov-09	-	-	-	-	-	-	1,639.0	11,424.4	95.0	195.0
Dec-09	-	-	816.0	816.0	-	-	1,793.0	13,217.4	136.0	331.0
Jan-10	-	-	-	816.0	-	-	2,464.0	15,681.4	163.0	494.0
Feb-10	-	-	100.0	916.0	-	-	2,554.0	18,235.4	209.0	703.0
Mar-10	-	-	660.0	1,576.0	-	-	3,725.0	21,960.4	238.0	941.0
Apr-10	-	-	-	1,576.0	-	-	3,865.0	25,825.4	242.0	1,183.0
May-10	-	-	905.0	2,481.0	30.8	30.8	3,748.0	29,573.4	259.0	1,442.0
Jun-10	29.5	29.5	2,430.0	4,911.0	34.5	65.2	3,558.0	33,131.4	233.0	1,675.0
Jul-10	31.9	61.3	400.0	5,311.0	38.5	103.7	3,900.0	37,031.4	186.0	1,861.0
Aug-10	31.9	93.2	-	5,311.0	42.6	146.3	3,930.0	40,961.4	218.0	2,079.0
Sep-10	-	93.2	585.0	5,896.0	-	146.3	3,602.0	44,563.4	299.0	2,378.0
Oct-10	-	93.2	570.0	6,466.0	-	146.3	3,555.0	48,118.4	258.0	2,636.0
Nov-10	-	93.2	900.0	7,366.0	-	146.3	2,690.0	50,808.4	177.0	2,813.0
Dec-10	-	93.2	390.0	7,756.0	2.5	148.9	2,592.0	53,400.4	170.0	2,983.0
Jan-11	-	-	285.0	8,041.0	2.7	2.7	2,620.0	56,020.4	187.0	3,170.0
Feb-11	-	-	1,065.0	9,106.0	-	2.7	3,030.0	59,050.4	198.0	3,368.0
Mar-11	-	-	2,500.0	11,606.0	-	2.7	3,474.0	62,524.4	361.0	3,729.0
Apr-11	-	-	1,500.0	13,106.0	-	2.7	3,500.0	66,024.4	200.0	3,929.0
May-11	-	-	1,500.0	14,606.0	-	2.7	3,700.0	69,724.4	200.0	4,129.0
Jun-11	96.6	96.6	1,500.0	16,106.0	76.4	79.1	3,700.0	73,424.4	200.0	4,329.0
Jul-11	105.6	202.3	1,500.0	17,606.0	80.4	159.5	3,900.0	77,324.4	200.0	4,529.0
Aug-11	114.6	316.9	1,500.0	19,106.0	168.9	328.4	3,900.0	81,224.4	200.0	4,729.0
Sep-11	-	316.9	1,500.0	20,606.0	-	328.4	3,900.0	85,124.4	180.0	4,909.0
Oct-11	-	316.9	1,250.0	21,856.0	-	328.4	3,350.0	88,474.4	160.0	5,069.0
Nov-11	-	316.9	1,000.0	22,856.0	-	328.4	2,670.0	91,144.4	120.0	5,189.0
Dec-11	-	316.9	800.0	23,656.0	4.4	332.8	2,370.0	93,514.4	120.0	5,309.0
Jan-12	-	-	750.0	24,406.0	4.5	4.5	2,800.0	96,314.4	160.0	5,469.0
Feb-12	-	-	1.0	24,407.0	4.7	9.2	2,800.0	99,114.4	180.0	5,649.0
Mar-12	-	-	1,250.0	25,657.0	-	9.2	3,600.0	102,714.4	180.0	5,829.0
Apr-12	-	-	1,500.0	27,157.0	-	9.2	3,600.0	106,314.4	200.0	6,029.0
May-12	-	-	1,500.0	28,657.0	-	9.2	3,200.0	109,514.4	200.0	6,229.0
Jun-12	180.9	180.9	1,500.0	30,157.0	117.6	126.8	3,600.0	113,114.4	200.0	6,429.0
Jul-12	189.9	370.9	1,500.0	31,657.0	242.8	369.6	3,600.0	116,714.4	200.0	6,629.0
Aug-12	198.9	569.8	1,500.0	33,157.0	250.3	619.9	3,600.0	120,314.4	200.0	6,829.0
Sep-12	-	569.8	1,500.0	34,657.0	-	619.9	3,600.0	123,914.4	180.0	7,009.0
Oct-12	-	569.8	1,250.0	35,907.0	-	619.9	3,600.0	127,514.4	180.0	7,189.0
Nov-12	-	569.8	1,000.0	36,907.0	-	619.9	3,200.0	130,714.4	120.0	7,309.0
Dec-12	-	569.8	800.0	37,707.0	6.2	626.0	2,800.0	133,514.4	120.0	7,429.0
Jan-13	-	-	750.0	38,457.0	6.3	6.3	2,550.0	136,064.4	160.0	7,589.0
Feb-13	-	-	1.0	38,458.0	6.5	12.8	2,900.0	138,964.4	180.0	7,769.0
Mar-13	-	-	1,250.0	39,708.0	-	12.8	2,900.0	141,864.4	180.0	7,949.0
Apr-13	-	-	1,500.0	41,208.0	-	12.8	3,250.0	145,114.4	200.0	8,149.0
May-13	-	-	1,500.0	42,708.0	-	12.8	3,450.0	148,564.4	200.0	8,349.0
Jun-13	265.2	265.2	1,500.0	44,208.0	158.1	170.9	3,450.0	152,014.4	200.0	8,549.0
Jul-13	274.2	539.5	1,500.0	45,708.0	323.7	494.6	3,600.0	155,614.4	200.0	8,749.0
Aug-13	283.2	822.7	1,500.0	47,208.0	331.2	825.7	3,600.0	159,214.4	200.0	8,949.0
Sep-13	-	822.7	1,500.0	48,708.0	-	825.7	3,600.0	162,814.4	180.0	9,129.0
Oct-13	-	822.7	1,250.0	49,958.0	-	825.7	3,100.0	165,914.4	180.0	9,309.0
Nov-13	-	822.7	1,000.0	50,958.0	-	825.7	2,500.0	168,414.4	120.0	9,429.0
Dec-13	-	822.7	800.0	51,758.0	8.0	833.7	2,200.0	170,614.4	120.0	9,549.0
Jan-14	-	-	750.0	52,508.0	8.1	8.1	2,550.0	173,164.4	160.0	9,709.0
Feb-14	-	-	1.0	52,509.0	8.3	16.4	2,900.0	176,064.4	180.0	9,889.0
Mar-14	-	-	1,250.0	53,759.0	-	16.4	2,900.0	178,964.4	180.0	10,069.0
Apr-14	-	-	1,500.0	55,259.0	-	16.4	3,250.0	182,214.4	200.0	10,269.0
May-14	-	-	1,500.0	56,759.0	-	16.4	3,450.0	185,664.4	200.0	10,469.0
Jun-14	349.6	349.6	1,500.0	58,259.0	196.7	213.1	3,450.0	189,114.4	200.0	10,669.0
Jul-14	358.6	708.1	1,500.0	59,759.0	400.8	613.9	3,600.0	192,714.4	200.0	10,869.0
Aug-14	367.6	1,075.7	1,500.0	61,259.0	612.5	1,226.4	3,600.0	196,314.4	200.0	11,069.0
Sep-14	-	1,075.7	1,500.0	62,759.0	-	1,226.4	3,600.0	199,914.4	180.0	11,249.0
Oct-14	-	1,075.7	1,250.0	64,009.0	-	1,226.4	3,100.0	203,014.4	180.0	11,429.0
Nov-14	-	1,075.7	1,000.0	65,009.0	-	1,226.4	2,500.0	205,514.4	120.0	11,549.0
Dec-14	-	1,075.7	800.0	65,809.0	9.8	1,236.3	2,200.0	207,714.4	120.0	11,669.0
2009	-	-	816.0	816.0	-	-	13,217.4	13,217.4	136.0	331.0
2010	93.2	93.2	6,940.0	7,756.0	148.9	148.9	40,183.0	53,400.4	170.0	2,983.0
2011	316.9	316.9	15,900.0	23,656.0	332.8	332.8	40,114.0	93,514.4	120.0	5,309.0
2012	569.8	569.8	14,051.0	37,707.0	626.0	626.0	40,000.0	133,514.4	120.0	7,429.0
2013	822.7	822.7	14,051.0	51,758.0	833.7	833.7	37,100.0	170,614.4	120.0	9,549.0
2014	1,075.7	1,075.7	14,051.0	65,809.0	1,236.3	1,236.3	37,100.0	207,714.4	120.0	11,669.0

# Progress Energy Carolinas, Inc.

## Calculation of Revised Program Performance Incentives

### 2009 Vintage

		Residential Home Energy Improvement
1	Present Value of Avoided Costs	\$ 3,417,121
2	Present Value of Program Costs	2,809,135
3	Net Program Benefits	\$ 607,986
4	SC Allocation Factor	15.02%
5	SC Allocated Utility Cost Test	\$ 91,347
6	DSM Program Incentive at 8%	
7	EE Program Incentive at 13%	\$ 11,875
8	Program Performance Incentive (PPI)	\$ 11,875
9	Income Tax Rate	37.68%
10	Income Taxes	\$ (4,475)
11	Net-of-Tax PPI - Total NPV	\$ 7,401
12	Rev Vintage Year 2009 - Year 1 PPI	\$ 1,149
13	Income Tax Gross-Up Factor	62.32%
14	Adjusted PPI	\$ 1,844
15	PPI Values for Test Period	\$ 1,844
16	Original Vintage 2009 PPI	9,314
17	PPI Over / (Under) Collection	\$ 7,470

### Allocation Factors

A	01-2009 thru 04-2009	15.19%
B	05-2009 thru 12-2009	14.94%
C	Weighted Allocation	15.02%
D	01-2010 thru 04-2010	14.94%
E	05-2010 thru 12-2010	14.59%
F	Weighted Allocation	14.71%

**PEC Residential Home Energy Improvement - Vintage Year-2009**

YEAR	<b>BENEFITS</b>			
	(1) TOTAL FUEL & O&M SAVINGS \$(000)	(2) AVOIDED T&D CAP. COSTS \$(000)	(3) AVOIDED GEN. CAP. COSTS \$(000)	(4) <b>TOTAL BENEFITS</b> \$(000)
2009	98	92	117	306
2010	101	73	93	267
2011	106	76	96	278
2012	110	78	98	287
2013	139	80	101	320
2014	146	83	104	333
2015	158	85	108	350
2016	168	87	111	366
2017	182	90	114	385
2018	202	92	118	412
2019	190	94	121	406
2020	178	97	125	399
2021	188	100	128	416
2022	210	102	132	445
2023	223	105	136	464
2024	144	59	76	280
2025	152	60	79	291
2026	165	62	81	308
2027	104	35	46	185
2028	110	36	47	193
2029	0	0	0	0
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
<b>NOMINAL</b>	<b>3,074</b>	<b>1,586</b>	<b>2,031</b>	<b>6,692</b>
<b>NPV</b>	<b>1,496</b>	<b>845</b>	<b>1,077</b>	<b>3,417</b>
<b>Present Value:</b>		<i>i=8.46%</i>		<b>3,417,121</b>

# Workpapers

## Section R – DSM/EE Revenues



Progress Energy Carolinas, Inc.

Test Period DSM/EE Cost Recovery Summary (\$)

A. SC DSM Program Recovery

			General Service				Lighting	Total
			Residential	Billing Amounts	Opt-Out Credits	Net Billings		
1	Apr-10	W/P R-4 SC 04-10	\$ 10,253.09	\$ 10,209.57	\$ (6,109.54)	\$ 4,100.03	\$ -	\$ 14,353.12
2	May-10	W/P R-4 SC 05-10	9,252.33	9,466.45	(5,434.93)	4,031.52	-	13,283.85
3	Jun-10	W/P R-4 SC 06-10	13,739.87	11,437.57	(6,337.64)	5,099.93	-	18,839.80
4	Jul-10	W/P R-4 SC 07-10	56,597.46	18,027.24	(9,828.84)	8,198.40	-	64,795.86
5	Aug-10	W/P R-4 SC 08-10	57,709.47	17,792.47	(9,399.17)	8,393.30	-	66,102.77
6	Sep-10	W/P R-4 SC 09-10	51,080.34	17,515.19	(9,321.50)	8,193.69	-	59,274.03
7	Oct-10	W/P R-4 SC 10-10	35,006.33	16,106.16	(9,118.74)	6,987.42	-	41,993.75
8	Nov-10	W/P R-4 SC 11-10	31,356.58	15,526.44	(9,988.66)	5,537.78	-	36,894.36
9	Dec-10	W/P R-4 SC 12-10	56,372.37	13,249.40	(6,562.61)	6,686.79	-	63,059.16
10	Jan-11	W/P R-4 SC 01-11	75,439.73	17,034.07	(9,805.29)	7,228.78	-	82,668.51
11	Feb-11	W/P R-4 SC 02-11	55,835.74	14,406.31	(8,152.89)	6,253.42	-	62,089.16
12	Mar-11	W/P R-4 SC 03-11	39,458.56	12,342.53	(6,337.52)	6,005.01	-	45,463.57
13	Period Totals	Σ Lines 1 thru 12	\$ 492,101.87	\$ 173,113.40	\$ (96,397.33)	\$ 76,716.07	\$ -	\$ 568,817.94

B. SC DSDR Program Recovery

			General Service				Lighting	Total
			Residential	Billing Amounts	Opt-Out Credits	Net Billings		
14	Apr-10	W/P R-4 SC 04-10	\$ 65,398.08	\$ 104,730.40	\$ (62,672.03)	\$ 42,058.37	\$ -	\$ 107,456.45
15	May-10	W/P R-4 SC 05-10	59,014.83	97,107.56	(55,751.90)	41,355.66	-	100,370.49
16	Jun-10	W/P R-4 SC 06-10	87,589.76	117,357.28	(65,040.21)	52,317.07	-	139,906.83
17	Jul-10	W/P R-4 SC 07-10	158,605.84	196,338.22	(107,048.91)	89,289.31	-	247,895.15
18	Aug-10	W/P R-4 SC 08-10	161,633.52	193,783.62	(102,369.21)	91,414.41	-	253,047.93
19	Sep-10	W/P R-4 SC 09-10	143,060.56	190,762.52	(101,523.29)	89,239.23	-	232,299.79
20	Oct-10	W/P R-4 SC 10-10	98,045.93	175,415.61	(99,314.92)	76,100.69	-	174,146.62
21	Nov-10	W/P R-4 SC 11-10	87,823.04	169,103.98	(108,789.50)	60,314.48	-	148,137.52
22	Dec-10	W/P R-4 SC 12-10	157,888.81	144,303.31	(71,475.39)	72,827.92	-	230,716.73
23	Jan-11	W/P R-4 SC 01-11	211,294.32	185,523.21	(106,792.37)	78,730.84	-	290,025.16
24	Feb-11	W/P R-4 SC 02-11	156,404.24	156,903.51	(88,795.56)	68,107.95	-	224,512.19
25	Mar-11	W/P R-4 SC 03-11	110,498.72	134,426.34	(69,023.84)	65,402.50	-	175,901.22
26	Period Totals	Σ Lines 14 thru 25	\$ 1,497,257.65	\$ 1,865,755.56	\$ (1,038,597.13)	\$ 827,158.43	\$ -	\$ 2,324,416.08

C. SC EE Program Recovery

			General Service				Lighting	Total
			Residential	Billing Amounts	Opt-Out Credits	Net Billings		
27	Apr-10	W/P R-4 SC 04-10	\$ 32,421.93	\$ 69,490.92	\$ (41,584.27)	\$ 27,906.65	\$ -	\$ 60,328.58
28	May-10	W/P R-4 SC 05-10	29,257.35	64,433.02	(36,992.62)	27,440.40	-	56,697.75
29	Jun-10	W/P R-4 SC 06-10	43,450.29	77,952.05	(43,233.98)	34,718.07	-	78,168.36
30	Jul-10	W/P R-4 SC 07-10	189,803.92	161,846.76	(88,245.91)	73,600.85	-	263,404.77
31	Aug-10	W/P R-4 SC 08-10	193,537.84	159,746.65	(84,388.19)	75,358.46	-	268,896.30
32	Sep-10	W/P R-4 SC 09-10	171,306.32	157,253.22	(83,690.86)	73,562.36	-	244,868.68
33	Oct-10	W/P R-4 SC 10-10	117,399.28	144,600.29	(81,870.39)	62,729.90	-	180,129.18
34	Nov-10	W/P R-4 SC 11-10	105,159.30	139,403.23	(89,680.76)	49,722.47	-	154,881.77
35	Dec-10	W/P R-4 SC 12-10	189,053.65	118,956.68	(58,920.83)	60,035.85	-	249,089.50
36	Jan-11	W/P R-4 SC 01-11	252,999.00	152,936.30	(88,034.43)	64,901.87	-	317,900.87
37	Feb-11	W/P R-4 SC 02-11	187,253.00	129,343.60	(73,198.73)	56,144.87	-	243,397.87
38	Mar-11	W/P R-4 SC 03-11	132,331.48	110,814.82	(56,899.89)	53,914.93	-	186,246.41
39	Period Totals	Σ Lines 27 thru 38	\$ 1,643,973.36	\$ 1,486,777.54	\$ (826,740.86)	\$ 660,036.68	\$ -	\$ 2,304,010.04

### Progress Energy Carolinas, Inc.

Test Period DSM/EE Cost Recovery Summary (\$)

**D. SC Total DSM/DSDR/EE Recovery**

			General Service				Lighting	Total
			Residential	Billing Amounts	Opt-Out Credits	Net Billings		
40	Apr-10	<i>Σ Lines 1, 14 &amp; 27</i>	\$ 108,073.10	\$ 184,430.89	\$ (110,365.84)	\$ 74,065.05	\$ -	\$ 182,138.15
41	May-10	<i>Σ Lines 2, 15 &amp; 28</i>	97,524.51	171,007.03	(98,179.45)	72,827.58	-	170,352.09
42	Jun-10	<i>Σ Lines 3, 16 &amp; 29</i>	144,779.92	206,746.90	(114,611.83)	92,135.07	-	236,914.99
43	Jul-10	<i>Σ Lines 4, 17 &amp; 30</i>	405,007.22	376,212.22	(205,123.66)	171,088.56	-	576,095.78
44	Aug-10	<i>Σ Lines 5, 18 &amp; 31</i>	412,880.83	371,322.74	(196,156.57)	175,166.17	-	588,047.00
45	Sep-10	<i>Σ Lines 6, 19 &amp; 32</i>	365,447.22	365,530.93	(194,535.65)	170,995.28	-	536,442.50
46	Oct-10	<i>Σ Lines 7, 20 &amp; 33</i>	250,451.54	336,122.06	(190,304.05)	145,818.01	-	396,269.55
47	Nov-10	<i>Σ Lines 8, 21 &amp; 34</i>	224,338.92	324,033.65	(208,458.92)	115,574.73	-	339,913.65
48	Dec-10	<i>Σ Lines 9, 22 &amp; 35</i>	403,314.83	276,509.39	(136,958.83)	139,550.56	-	542,865.39
49	Jan-11	<i>Σ Lines 10, 23 &amp; 36</i>	539,733.05	355,493.58	(204,632.09)	150,861.49	-	690,594.54
50	Feb-11	<i>Σ Lines 11, 24 &amp; 37</i>	399,492.98	300,653.42	(170,147.18)	130,506.24	-	529,999.22
51	Mar-11	<i>Σ Lines 12, 25 &amp; 38</i>	282,288.76	257,583.69	(132,261.25)	125,322.44	-	407,611.20
52	Period Totals	<i>Σ Lines 40 thru 51</i>	<u>\$ 3,633,332.88</u>	<u>\$ 3,525,646.50</u>	<u>\$ (1,961,735.32)</u>	<u>\$ 1,563,911.18</u>	<u>\$ -</u>	<u>\$ 5,197,244.06</u>

Progress Energy Carolinas, Inc.

Test Period DSM/DSDR/EE Cost Recovery Units (kWh)

SC Total Billing Units

			General Service				Lighting			Total
Residential			Billing Units	Opt-Out Units	Net Units	Billing Units	Opt-Out Units	Net Units		
1	Apr-10	W/P R-4 SC 04-10	139,727,756	329,340,765	(197,081,842)	132,258,923	7,707,195	(243,152)	7,464,043	279,450,722
2	May-10	W/P R-4 SC 05-10	126,120,851	305,345,392	(175,320,452)	130,024,940	7,688,566	(224,462)	7,464,104	263,609,895
3	Jun-10	W/P R-4 SC 06-10	187,122,175	368,455,927	(203,969,260)	164,486,667	7,741,727	(261,842)	7,479,885	359,088,727
4	Jul-10	W/P R-4 SC 07-10	232,188,062	391,914,492	(213,670,517)	178,243,975	7,724,989	(243,152)	7,481,837	417,913,874
5	Aug-10	W/P R-4 SC 08-10	236,512,456	386,779,663	(204,332,767)	182,446,896	7,706,108	(236,935)	7,469,173	426,428,525
6	Sep-10	W/P R-4 SC 09-10	209,358,310	380,778,596	(202,641,307)	178,137,289	7,723,036	(245,218)	7,477,818	394,973,417
7	Oct-10	W/P R-4 SC 10-10	143,522,257	350,158,144	(198,233,382)	151,924,762	7,705,953	(240,283)	7,465,670	302,912,689
8	Nov-10	W/P R-4 SC 11-10	128,498,741	337,517,513	(217,144,706)	120,372,807	7,712,654	(243,006)	7,469,648	256,341,196
9	Dec-10	W/P R-4 SC 12-10	230,941,785	288,030,064	(142,665,444)	145,364,620	7,691,804	(238,352)	7,453,452	383,759,857
10	Jan-11	W/P R-4 SC 01-11	309,077,522	370,305,815	(213,158,431)	157,147,384	7,711,988	(257,652)	7,454,336	473,679,242
11	Feb-11	W/P R-4 SC 02-11	228,803,895	313,180,645	(177,236,643)	135,944,002	7,712,556	(255,390)	7,457,166	372,205,063
12	Mar-11	W/P R-4 SC 03-11	161,634,512	268,313,906	(137,772,130)	130,541,776	7,724,581	(252,962)	7,471,619	299,647,907
13	Period Totals	Σ Lines 1 thru 12	2,333,508,322	4,090,120,922	(2,283,226,881)	1,806,894,041	92,551,157	(2,942,406)	89,608,751	4,230,011,114

Source: RMCY4

State: South Carolina

## DSM/EE Rate Billings *(net of GRT & SC Reg fee)*

*Month of April 2010*

Rate Class	KWH		DSM		DSDR		EE		Total Recovery
Residential	139,727,756	\$	10,253.09	\$	65,398.08	\$	32,421.93	\$	108,073.10
Res RECD <i>(reflected above)</i>	-		-		-		-		-
Net Residential	139,727,756	\$	10,253.09	\$	65,398.08	\$	32,421.93	\$	108,073.10
Small General Service	19,061,089	\$	590.90	\$	6,061.46	\$	4,021.90	\$	10,674.26
Medium General Svc	128,121,971		3,971.78		40,742.79		27,033.74		71,748.31
Large General Service	182,157,705		5,646.89		57,926.15		38,435.28		102,008.32
Less: Opt-Outs	(197,081,842)		(6,109.54)		(62,672.03)		(41,584.27)		(110,365.84)
Net General Service	132,258,923	\$	4,100.03	\$	42,058.37	\$	27,906.65	\$	74,065.05
Lighting	7,707,195	\$	-	\$	-	\$	-	\$	-
Less: Opt Outs	(243,152)		-		-		-		-
Net Lighting	7,464,043	\$	-	\$	-	\$	-	\$	-
<b>Total</b>	<b>279,450,722</b>	<b>\$</b>	<b>14,353.12</b>	<b>\$</b>	<b>107,456.45</b>	<b>\$</b>	<b>60,328.58</b>	<b>\$</b>	<b>182,138.15</b>

Source: RMCY4

State: South Carolina

DSM/EE Rate Billings (*net of GRT & SC Reg fee*)

Month of May 2010

Rate Class	KWH	DSM	DSDR	EE	Total Recovery
Residential	126,120,851	\$ 9,252.33	\$ 59,014.83	\$ 29,257.35	\$ 97,524.51
Res RECD ( <i>reflected above</i> )	-	-	-	-	-
Net Residential	126,120,851	\$ 9,252.33	\$ 59,014.83	\$ 29,257.35	\$ 97,524.51
Small General Service	19,325,589	\$ 599.08	\$ 6,145.53	\$ 4,077.71	\$ 10,822.32
Medium General Svc	123,082,074	3,816.30	39,147.83	25,975.45	68,939.58
Large General Service	162,937,729	5,051.07	51,814.20	34,379.86	91,245.13
Less: Opt-Outs	(175,320,452)	(5,434.93)	(55,751.90)	(36,992.62)	(98,179.45)
Net General Service	130,024,940	\$ 4,031.52	\$ 41,355.66	\$ 27,440.40	\$ 72,827.58
Lighting	7,688,566	\$ -	\$ -	\$ -	\$ -
Less: Opt Outs	(224,462)	-	-	-	-
Net Lighting	7,464,104	\$ -	\$ -	\$ -	\$ -
Total	263,609,895	\$ 13,283.85	\$ 100,370.49	\$ 56,697.75	\$ 170,352.09

Source: RMCY4

State: South Carolina

DSM/EE Rate Billings (*net of GRT & SC Reg fee*)

Month of June 2010

Rate Class	KWH	DSM	DSDR	EE	Total Recovery
Residential	187,122,175	\$ 13,739.87	\$ 87,589.76	\$ 43,450.29	\$ 144,779.92
Res RECD ( <i>reflected above</i> )	-	-	-	-	-
Net Residential	187,122,175	\$ 13,739.87	\$ 87,589.76	\$ 43,450.29	\$ 144,779.92
Small General Service	26,479,290	\$ 820.87	\$ 8,420.51	\$ 5,587.24	\$ 14,828.62
Medium General Svc	152,654,945	4,747.73	48,732.47	32,417.93	85,898.13
Large General Service	189,321,692	5,868.97	60,204.30	39,946.88	106,020.15
Less: Opt-Outs	(203,969,260)	(6,337.64)	(65,040.21)	(43,233.98)	(114,611.83)
Net General Service	164,486,667	\$ 5,099.93	\$ 52,317.07	\$ 34,718.07	\$ 92,135.07
Lighting	7,741,727	\$ -	\$ -	\$ -	\$ -
Less: Opt Outs	(261,842)	-	-	-	-
Net Lighting	7,479,885	\$ -	\$ -	\$ -	\$ -
Total	359,088,727	\$ 18,839.80	\$ 139,906.83	\$ 78,168.36	\$ 236,914.99

Source: RMCY4

State: South Carolina

DSM/EE Rate Billings (*net of GRT & SC Reg fee*)

Month of July 2010

Rate Class	KWH	DSM	DSDR	EE	Total Recovery
Residential	232,188,062	\$ 56,597.46	\$ 158,605.84	\$ 189,803.92	\$ 405,007.22
Res RECD ( <i>reflected above</i> )	-	-	-	-	-
Net Residential	232,188,062	\$ 56,597.46	\$ 158,605.84	\$ 189,803.92	\$ 405,007.22
Small General Service	31,421,458	\$ 1,445.24	\$ 15,740.26	\$ 12,974.98	\$ 30,160.48
Medium General Svc	162,854,749	7,490.64	81,581.18	67,247.17	156,318.99
Large General Service	197,638,285	9,091.36	99,016.78	81,624.61	189,732.75
Less: Opt-Outs	(213,670,517)	(9,828.84)	(107,048.91)	(88,245.91)	(205,123.66)
Net General Service	178,243,975	\$ 8,198.40	\$ 89,289.31	\$ 73,600.85	\$ 171,088.56
Lighting	7,724,989	\$ -	\$ -	\$ -	\$ -
Less: Opt Outs	(243,152)	-	-	-	-
Net Lighting	7,481,837	\$ -	\$ -	\$ -	\$ -
Total	417,913,874	\$ 64,795.86	\$ 247,895.15	\$ 263,404.77	\$ 576,095.78

Source: RMCY4

State: South Carolina

## DSM/EE Rate Billings *(net of GRT & SC Reg fee)*

*Month of August 2010*

Rate Class	KWH		DSM		DSDR		EE		Total Recovery
Residential	236,512,456	\$	57,709.47	\$	161,633.52	\$	193,537.84	\$	412,880.83
Res RECD <i>(reflected above)</i>	-		-		-		-		-
Net Residential	236,512,456	\$	57,709.47	\$	161,633.52	\$	193,537.84	\$	412,880.83
Small General Service	32,181,564	\$	1,480.73	\$	16,127.15	\$	13,294.53	\$	30,902.41
Medium General Svc	165,710,663		7,622.92		83,023.86		68,441.61		159,088.39
Large General Service	188,887,436		8,688.82		94,632.61		78,010.51		181,331.94
Less: Opt-Outs	(204,332,767)		(9,399.17)		(102,369.21)		(84,388.19)		(196,156.57)
Net General Service	182,446,896	\$	8,393.30	\$	91,414.41	\$	75,358.46	\$	175,166.17
Lighting	7,706,108	\$	-	\$	-	\$	-	\$	-
Less: Opt Outs	(236,935)		-		-		-		-
Net Lighting	7,469,173	\$	-	\$	-	\$	-	\$	-
<b>Total</b>	<b>426,428,525</b>	<b>\$</b>	<b>66,102.77</b>	<b>\$</b>	<b>253,047.93</b>	<b>\$</b>	<b>268,896.30</b>	<b>\$</b>	<b>588,047.00</b>



Source: RMCY4

State: South Carolina

## DSM/EE Rate Billings (*net of GRT & SC Reg fee*)

*Month of September 2010*

Rate Class	KWH	DSM	DSDR	EE	Total Recovery
Residential	209,358,310	\$ 51,080.34	\$ 143,060.56	\$ 171,306.32	\$ 365,447.22
Res RECD ( <i>reflected above</i> )	-	-	-	-	-
Net Residential	209,358,310	\$ 51,080.34	\$ 143,060.56	\$ 171,306.32	\$ 365,447.22
Small General Service	30,420,022	\$ 1,398.68	\$ 15,232.57	\$ 12,554.80	\$ 29,186.05
Medium General Svc	166,926,965	7,678.66	83,630.71	68,941.17	160,250.54
Large General Service	183,431,609	8,437.85	91,899.24	75,757.25	176,094.34
Less: Opt-Outs	(202,641,307)	(9,321.50)	(101,523.29)	(83,690.86)	(194,535.65)
Net General Service	178,137,289	\$ 8,193.69	\$ 89,239.23	\$ 73,562.36	\$ 170,995.28
Lighting	7,723,036	\$ -	\$ -	\$ -	\$ -
Less: Opt Outs	(245,218)	-	-	-	-
Net Lighting	7,477,818	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>394,973,417</b>	<b>\$ 59,274.03</b>	<b>\$ 232,299.79</b>	<b>\$ 244,868.68</b>	<b>\$ 536,442.50</b>

Source: RMCY4

State: South Carolina

## DSM/EE Rate Billings *(net of GRT & SC Reg fee)*

*Month of October 2010*

Rate Class	KWH		DSM		DSDR		EE		Total Recovery
Residential	143,522,257	\$	35,006.33	\$	98,045.93	\$	117,399.28	\$	250,451.54
Res RECD <i>(reflected above)</i>	-		-		-		-		-
Net Residential	143,522,257	\$	35,006.33	\$	98,045.93	\$	117,399.28	\$	250,451.54
Small General Service	22,410,006	\$	1,030.86	\$	11,227.41	\$	9,255.33	\$	21,513.60
Medium General Svc	138,596,283		6,374.31		69,423.12		57,225.24		133,022.67
Large General Service	189,151,855		8,700.99		94,765.08		78,119.72		181,585.79
Less: Opt-Outs	(198,233,382)		(9,118.74)		(99,314.92)		(81,870.39)		(190,304.05)
Net General Service	151,924,762	\$	6,987.42	\$	76,100.69	\$	62,729.90	\$	145,818.01
Lighting	7,705,953	\$	-	\$	-	\$	-	\$	-
Less: Opt Outs	(240,283)		-		-		-		-
Net Lighting	7,465,670	\$	-	\$	-	\$	-	\$	-
<b>Total</b>	<b>302,912,689</b>	<b>\$</b>	<b>41,993.75</b>	<b>\$</b>	<b>174,146.62</b>	<b>\$</b>	<b>180,129.18</b>	<b>\$</b>	<b>396,269.55</b>

Source: RMCY4

State: South Carolina

## DSM/EE Rate Billings *(net of GRT & SC Reg fee)*

*Month of November 2010*

Rate Class	KWH	DSM	DSDR	EE	Total Recovery
Residential	128,498,741	\$ 31,356.58	\$ 87,823.04	\$ 105,159.30	\$ 224,338.92
Res RECD <i>(reflected above)</i>	-	-	-	-	-
Net Residential	128,498,741	\$ 31,356.58	\$ 87,823.04	\$ 105,159.30	\$ 224,338.92
Small General Service	17,676,982	\$ 813.12	\$ 8,855.94	\$ 7,300.33	\$ 16,969.39
Medium General Svc	118,786,659	5,464.84	59,520.05	49,067.65	114,052.54
Large General Service	201,053,872	9,248.48	100,727.99	83,035.25	193,011.72
Less: Opt-Outs	(217,144,706)	(9,988.66)	(108,789.50)	(89,680.76)	(208,458.92)
Net General Service	120,372,807	\$ 5,537.78	\$ 60,314.48	\$ 49,722.47	\$ 115,574.73
Lighting	7,712,654	\$ -	\$ -	\$ -	\$ -
Less: Opt Outs	(243,006)	-	-	-	-
Net Lighting	7,469,648	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>256,341,196</b>	<b>\$ 36,894.36</b>	<b>\$ 148,137.52</b>	<b>\$ 154,881.77</b>	<b>\$ 339,913.65</b>

Source: RMCY4

State: South Carolina

## DSM/EE Rate Billings *(net of GRT & SC Reg fee)*

*Month of December 2010*

Rate Class	KWH		DSM		DSDR		EE		Total Recovery
Residential	230,941,785	\$	56,372.37	\$	157,888.81	\$	189,053.65	\$	403,314.83
Res RECD <i>(reflected above)</i>	-		-		-		-		-
Net Residential	230,941,785	\$	56,372.37	\$	157,888.81	\$	189,053.65	\$	403,314.83
Small General Service	24,126,366	\$	1,109.83	\$	12,087.55	\$	9,964.45	\$	23,161.83
Medium General Svc	139,667,259		6,424.69		69,973.30		57,682.58		134,080.57
Large General Service	124,236,439		5,714.88		62,242.46		51,309.65		119,266.99
Less: Opt-Outs	(142,665,444)		(6,562.61)		(71,475.39)		(58,920.83)		(136,958.83)
Net General Service	145,364,620	\$	6,686.79	\$	72,827.92	\$	60,035.85	\$	139,550.56
Lighting	7,691,804	\$	-	\$	-	\$	-	\$	-
Less: Opt Outs	(238,352)		-		-		-		-
Net Lighting	7,453,452	\$	-	\$	-	\$	-	\$	-
<b>Total</b>	<b>383,759,857</b>	<b>\$</b>	<b>63,059.16</b>	<b>\$</b>	<b>230,716.73</b>	<b>\$</b>	<b>249,089.50</b>	<b>\$</b>	<b>542,865.39</b>

Source: RMCY4

State: South Carolina

## DSM/EE Rate Billings *(net of GRT & SC Reg fee)*

*Month of January 2011*

Rate Class	KWH		DSM		DSDR		EE		Total Recovery
Residential	309,077,522	\$	75,439.73	\$	211,294.32	\$	252,999.00	\$	539,733.05
Res RECD <i>(reflected above)</i>	-		-		-		-		-
Net Residential	309,077,522	\$	75,439.73	\$	211,294.32	\$	252,999.00	\$	539,733.05
Small General Service	30,337,395	\$	1,395.53	\$	15,199.03	\$	12,529.34	\$	29,123.90
Medium General Svc	149,378,367		6,871.40		74,838.56		61,693.27		143,403.23
Large General Service	190,590,053		8,767.14		95,485.62		78,713.69		182,966.45
Less: Opt-Outs	(213,158,431)		(9,805.29)		(106,792.37)		(88,034.43)		(204,632.09)
Net General Service	157,147,384	\$	7,228.78	\$	78,730.84	\$	64,901.87	\$	150,861.49
Lighting	7,711,988	\$	-	\$	-	\$	-	\$	-
Less: Opt Outs	(257,652)		-		-		-		-
Net Lighting	7,454,336	\$	-	\$	-	\$	-	\$	-
<b>Total</b>	<b>473,679,242</b>	<b>\$</b>	<b>82,668.51</b>	<b>\$</b>	<b>290,025.16</b>	<b>\$</b>	<b>317,900.87</b>	<b>\$</b>	<b>690,594.54</b>

Source: RMCY4

State: South Carolina

## DSM/EE Rate Billings *(net of GRT & SC Reg fee)*

*Month of February 2011*

Rate Class	KWH		DSM		DSDR		EE		Total Recovery
Residential	228,803,895	\$	55,835.74	\$	156,404.24	\$	187,253.00	\$	399,492.98
Res RECD <i>(reflected above)</i>	-		-		-		-		-
Net Residential	228,803,895	\$	55,835.74	\$	156,404.24	\$	187,253.00	\$	399,492.98
Small General Service	24,319,426	\$	1,118.70	\$	12,184.04	\$	10,043.91	\$	23,346.65
Medium General Svc	129,747,206		5,968.37		65,003.35		53,585.60		124,557.32
Large General Service	159,114,013		7,319.24		79,716.12		65,714.09		152,749.45
Less: Opt-Outs	(177,236,643)		(8,152.89)		(88,795.56)		(73,198.73)		(170,147.18)
Net General Service	135,944,002	\$	6,253.42	\$	68,107.95	\$	56,144.87	\$	130,506.24
Lighting	7,712,556	\$	-	\$	-	\$	-	\$	-
Less: Opt Outs	(255,390)		-		-		-		-
Net Lighting	7,457,166	\$	-	\$	-	\$	-	\$	-
<b>Total</b>	<b>372,205,063</b>	<b>\$</b>	<b>62,089.16</b>	<b>\$</b>	<b>224,512.19</b>	<b>\$</b>	<b>243,397.87</b>	<b>\$</b>	<b>529,999.22</b>

Source: RMCRY4  
State: South Carolina

## DSM/EE Rate Billings *(net of GRT & SC Reg fee)*

*Month of March 2011*

Rate Class	KWH	DSM	DSDR	EE	Total Recovery
Residential	161,634,512	\$ 39,458.56	\$ 110,498.72	\$ 132,331.48	\$ 282,288.76
Res RECD <i>(reflected above)</i>	-	-	-	-	-
Net Residential	161,634,512	\$ 39,458.56	\$ 110,498.72	\$ 132,331.48	\$ 282,288.76
Small General Service	19,907,506	\$ 915.84	\$ 9,974.74	\$ 8,222.98	\$ 19,113.56
Medium General Svc	123,268,569	5,670.35	61,757.55	50,909.92	118,337.82
Large General Service	125,137,831	5,756.34	62,694.05	51,681.92	120,132.31
Less: Opt-Outs	(137,772,130)	(6,337.52)	(69,023.84)	(56,899.89)	(132,261.25)
Net General Service	130,541,776	\$ 6,005.01	\$ 65,402.50	\$ 53,914.93	\$ 125,322.44
Lighting	7,724,581	\$ -	\$ -	\$ -	\$ -
Less: Opt Outs	(252,962)	-	-	-	-
Net Lighting	7,471,619	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>299,647,907</b>	<b>\$ 45,463.57</b>	<b>\$ 175,901.22</b>	<b>\$ 186,246.41</b>	<b>\$ 407,611.20</b>