ORIGINAL

Progress Energy

September 27, 2006

Ms. Blanca S. Bayó, Director
Division of Commission Clerk and
Administrative Services
Florida public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Petition for Approval of Demand Side Management Programs; Docket No. 060647-EG

Dear Ms. Bayó:

Please find enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") the original and seven (7) copies of its petition for approval of Demand Side Management programs.

Thank you for your assistance in this matter.

Sincerely,

John T. Burnett LMS

John T. Burnett

JTB/lms
Enclosure

Original Tariff forwarded to ECR

Progress Energy Florida, Inc.
106 E. College Avenue
Suite 800
Tallahassee, FL 32301

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Demand Side Management Programs	Docket No. 06-0647-EG Filed: September 27, 2006

PETITION FOR APPROVAL OF
DEMAND SIDE MANAGEMENT PROGRAMS

Progress Energy, Florida, Inc. ("PEF"), pursuant to Sections 366.82 and 366.06(1), Florida Statutes (2006), and Florida Administrative Code Rule 25-17.0021 petitions the Florida Public Service Commission ("Commission") for approval of modifications to Demand Side Management ("DSM") programs as described in this petition, and to authorize PEF to recover through its Energy Conservation Cost Recovery ("ECCR") clause reasonable and prudent expenditures associated with implementation of such programs.

Approval of the proposed programs will help further the objectives of the Florida Energy Efficiency Conservation Act ("FEECA") by cost-effectively reducing the growth rate of weather sensitive peak demand, reducing and controlling the growth rate of energy consumption, increasing the conservation of expensive resources and increasing the efficiency of the electrical system. See Section 366.81, Florida Statutes (2006); Rule 25-17.001(2), Florida Administrative Code (2006). Reducing the growth rate of weather sensitive peak demand will benefit not only PEF's individual customers who reduce their demand through participation in the new and modified DSM programs, but also all other customers on PEF's system. See Rule 25-17.001(3), Florida Administrative Code. PEF respectfully requests expedited consideration and approval of these proposed DSM programs in order that customers may receive the conservation benefits of its proposed programs in the near term. In support of this petition PEF states:

1. PEF is a public utility subject to the jurisdiction of the Commission pursuant to Chapter 366 of the Florida Statutes. PEF's General Offices are located at 100 Central Avenue, St. Petersburg, Florida 33701.

2. The names and addresses of PEF's representatives to receive communications regarding this docket are:

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3. PEF is subject to FEECA, Sections 366.80-366.85 and 403.519, Florida Statutes (2006), and its Energy Conservation Cost Recovery clause is subject to the Commission's jurisdiction. Pursuant to FEECA and Commission rules implementing FEECA, PEF is required to seek the Commission's approval of DSM programs and is entitled to seek recovery of associated expenditures. PEF has a substantial interest in whether the Commission approves PEF's requested new programs and authorizes cost recovery for plan implementation expenditures.

4. In this petition, PEF is proposing modifications to the programs noted below:

Residential	Commercial
Home Energy Improvement	Better Business
Residential New Construction	Commercial/Industrial New Construction
Residential Energy Management	Standby Generation
Neighborhood Energy Saver	
Renewable Energy Programs	

Appendix A to this petition contains the cost-effectiveness analysis for each program. Appendix B includes program descriptions for the proposed modifications to the programs as well as a description of the measures included in the Neighborhood Energy Saver Program. Appendix C contains the Tariff revisions that are necessary to implement PEF's proposed programs in clean and legislative format.

5. The program changes are summarized in Appendix B and detailed in the various sections. The company is proposing to continue the following programs with no modifications.

Residential	Commercial
Home Energy Check	Business Energy Check
Low Income Weatherization	Innovation Incentive
	Curtailable Service
	Interruptible Service
Technology Development	
Qualifying Facilities	

6. The purpose of PEF's proposed programs is to maximize the availability of cost-effective demand-side management opportunities to PEF's customers. It is anticipated that the implementation of these proposed DSM programs will increase the penetration of demand-side management in the future. PEF proposes to initiate the new programs after they have been approved and there has been an opportunity to train personnel regarding the programs. PEF will work with the Commission and its Staff regarding the effective date of the proposed programs.

7. The proposed DSM programs will further help PEF achieve the goals set forth in the FEECA and Florida Administrative Code Rule 25-17.001. The proposed programs are designed to cost-effectively reduce the growth rate of weather-sensitive peak demand, reduce

and control the growth rate of energy consumption, increase the conservation of expensive resources and increase the efficiency of the electrical system.

8. PEF's proposed programs are cost-effective. In Appendix A, PEF has shown, using the Commission's cost-effectiveness methodology, the cost-effectiveness of each of the proposed programs for which cost-effectiveness can be meaningfully calculated.

9. PEF's proposed programs are reasonably monitorable. PEF's monitoring efforts for each of its programs are set forth in the detailed program and project summaries in Section II "Program Administration & Monitoring and Evaluation".

10. PEF is not aware of any disputed issues of material fact. PEF's proposed programs, as reflected in Appendix B, should be approved, including the Tariff revisions to sheet nos. 6.130, 6.131, 6132, 6.135, 6.136, 6.220, 6.221, 6.225, and 6.226. (Appendix C), which are needed to implement the proposed plans. The Commission should authorize recovery of the reasonable and prudent expenditures associated with PEF's proposed programs through PEF's ECCR clause. The statutes and rule which entitle PEF to relief are Sections 366.82(2), 366.06(1), Florida Statutes (2006), and Florida Administrative Code Rule 25-17.0021 (2006).

11. There has not been agency action in this proceeding. Therefore, PEF cannot provide a statement of when and how PEF received notice of agency action.

WHEREFORE, PEF respectfully requests that the Commission: (1) approve PEF's proposed DSM programs, as reflected in Appendix B to this petition, as well as the Tariff revisions reflected in Appendix C, (2) authorize PEF to recover through its ECCR clause reasonable and prudent expenditures associated with the implementation of the proposed programs, and (3) grant such other relief as may be appropriate. Further, PEF respectfully

requests expedited treatment of this petition so that PEF's customers may realize the benefits of the proposed plans in the near term.

Respectfully submitted,

John T. Burnett LMS

John T. Burnett

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Appendix A

COST-EFFECTIVE ANALYSIS

Appendix A

Cost Effectiveness Analysis

Summary of Demand Side Management Programs Included in Proposed Plan Period 2007-2014

	Rate Impact Measure Test			Participant Test			Total Resource Cost Test			
DSM Programs	PV Total Benefits ($000)	PV Total Costs ($000)	B/ C Ratio	PV Total Benefits ($000)	PV Total Costs ($000)	B/ C Ratio	PV Total Benefits ($000)	PV Total Costs ($000)	B/ C Ratio	Program Status
Home Energy Improvement	193,895	115,644	1.68	112,362	36,584	3.07	193,895	39,867	4.86	Modified
Residential New Construction	140,833	61,998	2.27	54,742	22,062	2.48	140,833	29,318	4.80	Modified
Neighborhood Energy Saver	26,266	23,106	1.14	21,878	0	N/A	26,266	1,228	21.40	New
Renewable Energy	1,116	737	1.51	483	474	1.02	1,116	728	1.53	New
Residential Year Round Energy Management	147,032	53,946	2.73	35,102	0	N/A	147,032	18,844	7.80	Modified
Dispatchable Standby	99,480	20,266	4.91	18,632	0	N/A	99,480	1,634	60.88	Modified
Better Business	113,209	76,838	1.47	75,965	33,172	2.29	113,209	34,044	3.33	Modified
C/I New Construction	53,743	37,659	1.43	37,212	20,357	1.83	53,743	20,803	2.58	Modified

AVOIDABLE GENERATION ASSUMPTIONS	
CTF G -- SIMPLE CYCLE COMBUSTION TURBINE	
(1) BASE YEAR	2006
(2) IN-SERVICE YEAR FOR AVOIDED GENERATING UNIT	Jun-08
(3) WINTER CAPACITY	191 MW
(4) BASE YEAR AVOIDED GENERATING UNIT COST (including transmission upgrade cost)	591.62 $/KW
(5) GENERATOR COST ESCALATION RATE	2.75 %
(7) GENERATOR FIXED O&M COST (including nonescalating gas pipeline reservation cost)	35.58 $/KW-YR
(8) GENERATOR FIXED O&M ESCALATION RATE	3.0 THROUGH 2008, 2.75 BEYOND %
(10) AVOIDED GEN UNIT VARIABLE O&M COSTS	1.158 ¢/KWH
(11) GENERATOR VARIABLE O&M COST ESCALATION RATE	3.0 THROUGH 2008, 2.75 BEYOND %
(12) GENERATOR CAPACITY FACTOR	6 %
(13) AVOIDED GENERATING UNIT FUEL COST	13.16 ¢/KWH
(14) AVOIDED GEN UNIT FUEL ESCALATION RATE	2.75 %
CTF G (2 Units) – 2 SIMPLE CYCLE COMBUSTION TURBINES	
(1) BASE YEAR	2006
(2) IN-SERVICE YEAR FOR AVOIDED GENERATING UNIT	Jun-10
(3) WINTER CAPACITY	191 MW
(4) BASE YEAR AVOIDED GENERATING UNIT COST (including transmission upgrade cost)	591.62 $/KW
(5) GENERATOR COST ESCALATION RATE	2.75 %
(7) GENERATOR FIXED O&M COST (including nonescalating gas pipeline reservation cost)	35.58 $/KW-YR
(8) GENERATOR FIXED O&M ESCALATION RATE	3.0 THROUGH 2008, 2.75 BEYOND %
(10) AVOIDED GEN UNIT VARIABLE O&M COSTS	1.158 ¢/KWH
(11) GENERATOR VARIABLE O&M COST ESCALATION RATE	3.0 THROUGH 2008, 2.75 BEYOND %
(12) GENERATOR CAPACITY FACTOR	4 %
(13) AVOIDED GENERATING UNIT FUEL COST	11.91 ¢/KWH
(14) AVOIDED GEN UNIT FUEL ESCALATION RATE	2.75 %
CCM F -- COMBINED CYCLE	
(1) BASE YEAR	2006
(2) IN-SERVICE YEAR FOR AVOIDED GENERATING UNIT	Jun-11
(3) WINTER CAPACITY	523 MW
(4) BASE YEAR AVOIDED GENERATING UNIT COST (including transmission upgrade cost)	771.18 $/KW
(5) GENERATOR COST ESCALATION RATE	2.75 %
(7) GENERATOR FIXED O&M COST (including nonescalating gas pipeline reservation cost)	37.86 $/KW-YR
(8) GENERATOR FIXED O&M ESCALATION RATE	3.0 THROUGH 2008, 2.75 BEYOND %
(10) AVOIDED GEN UNIT VARIABLE O&M COSTS	0.335 ¢/KWH
(11) GENERATOR VARIABLE O&M COST ESCALATION RATE	3.0 THROUGH 2008, 2.75 BEYOND %
(12) GENERATOR CAPACITY FACTOR	56 %
(13) AVOIDED GENERATING UNIT FUEL COST	6.19 ¢/KWH
(14) AVOIDED GEN UNIT FUEL ESCALATION RATE	2.75 %
CTF G (2 Units) – 2 SIMPLE CYCLE COMBUSTION TURBINES	
(1) BASE YEAR	2006
(2) IN-SERVICE YEAR FOR AVOIDED GENERATING UNIT	Dec-11
(3) WINTER CAPACITY	191 MW
(4) BASE YEAR AVOIDED GENERATING UNIT COST (including transmission upgrade cost)	591.62 $/KW
(5) GENERATOR COST ESCALATION RATE	2.75 %
(7) GENERATOR FIXED O&M COST (including nonescalating gas pipeline reservation cost)	35.58 $/KW-YR
(8) GENERATOR FIXED O&M ESCALATION RATE	3.0 THROUGH 2008, 2.75 BEYOND %
(10) AVOIDED GEN UNIT VARIABLE O&M COSTS	1.158 ¢/KWH
(11) GENERATOR VARIABLE O&M COST ESCALATION RATE	3.0 THROUGH 2008, 2.75 BEYOND %
(12) GENERATOR CAPACITY FACTOR	5 %
(13) AVOIDED GENERATING UNIT FUEL COST	11.31 ¢/KWH
(14) AVOIDED GEN UNIT FUEL ESCALATION RATE	2.75 %

AVOIDABLE TRANSMISSION AND DISTRIBUTION ASSUMPTIONS	
(1) BASE YEAR	2006
(2) IN-SERVICE YEAR FOR AVOIDED T&D	2006
(3) AVOIDED TRANSMISSION AND DISTRIBUTION COST	
-- Non-dispatchable Programs	29.72 $/KW-YR
-- Dispatchable Programs	0 $/KW-YR
(4) T&D COST ESCALATION RATE	0 %

Appendix B

PROGRAM DESCRIPTIONS

Appendix B

PROGRAM ADMINISTRATION

PEF's modifications will create awareness of all of its Demand Side Management offerings for existing and new residential and commercial customers. These programs and measures encourage high energy efficiencies in both new and existing structures. Participation will be encouraged by utilizing appropriate advertising, radio, bill inserts, direct mail, dealers, distributors, contractors, and other trade allies. The Company will continue to aggressively promote its DSM programs through educational opportunities. Energy efficiency specialists are conducting educational seminars with civic and community groups including outreach programs and home owner associations in order to increase awareness of the programs. An area of potential growth is the inclusion of students and parents in energy efficiency awareness through the development of lesson plans and home energy audits. Partnerships with large retail firms are being identified and included as well. Additional process improvements are being investigated to further encourage participation and ease of tracking success and measures of each of the programs. A history of all incentive payments made to customers will be monitored for accuracy and tracked electronically. PEF will file Program Participation Standards for the program. Program Participation Standards will be subject to revisions based upon changes in market conditions, such as but not limited to, technological advances, operational needs, program results, application assumptions and incentive amounts.

PROGRAM MONITORING AND EVALUATION

Program monitoring and evaluation are important components of DSM implementation. They serve the purpose of ensuring that all DSM resources are acquired in a cost-effective manner. Specifically, program monitoring includes tracking program data and ensuring quality control. Program evaluation results document the energy and demand impacts and cost-effectiveness of the program, as well as suggest ways that the program can be improved by increasing savings, reducing costs, or increasing participation.

To ensure quality control of the measures the Company recommends, PEF will conduct a minimum of 10 percent inspections of each measure type as required in Chapter 25.17.003.10.b. Additionally, periodic end use metering studies are conducted to validate assumptions. Evaluation is conducted on an on-going basis through the modeling of billing data to evaluate the impacts of various measures.

PEF will determine the most cost-effective evaluation method based on factors such as participation levels and program performance.

Proposed Modifications to Progress Energy Demand-Side Management Programs

Home Energy Improvement

- Attic Insulation R15 to R30 - $75 per residence; if greater than 1500 sq. ft. 7¢ per sq. ft. for every ft. above 1500 sq. ft.
- Spray-In Wall Insulation - will be 20¢ per sq. ft. for insulation added to block wall area adjacent to conditioned space (maximum incentive of $300)
- Central Electric Air Conditioning with Existing Non-Electric Heat - $50 per unit equal to or greater than 14 SEER
- Supply and Return Plenum Duct Seal - $50 per system with SEER rating of 14 or greater
- Proper sizing of High Efficiency Air Conditioner - $75 per system
- HVAC Commissioning - $50 per system based upon software evaluation and completion of specified recommendation
- Reflective Roof Manufactured Homes - $40 for roof coating per residence
- Reflective Roof Single Family Homes - 15¢ per sq. ft. with a maximum of $150 for light colored roofs per residence
- Window Film & Window Screen - 1/2 of cost up to $100 for window film and window screen per residence
- Replacement Windows - $1 per sq. ft. per window area with maximum incentive of $250 per residence

Residential New Construction

- HVAC Commissioning - $50 per system based upon software evaluation and completion of specified recommendation
- Window Film & Window Screen - Incentive $100 per residence
- Reflective Roof Single Family - $100 for reflective roof material per residence
- Attic Spray-on Foam Insulation - $100 per residence
- Wall Insulation - $200 per residence for insulation to block wall area adjacent to conditioned space
- Conditioned Space Air Handler - $50 per air handler
- Energy Recovery Ventilation - $150 per residence

Neighborhood Energy Saver

This program includes the following measures:

- Compact fluorescent bulb
- Water heater wrap and insulation for water pipes

- Water heater temperature check and adjustment
- Low flow faucet aerators
- Low flow showerhead
- Water closet leak detection tablets
- Refrigerator coil brush
- Refrigerator thermometer
- Wall plate thermometer
- HVAC winterization kit
- HVAC filters
- Change filter calendar
- Weatherization Measures

Renewable Energy

- Solar Water Heater with Energy Management - $450 per residence plus energy management program credit
- Solar Photovoltaics with Energy Management - A fund to promote environmental stewardship and renewable energy education

Residential Year Round Energy Management

- Year Round Energy Management

Dispatchable Stand By

- Stand By Generation - Incentive will be $2.30 per kW per month plus an additional compensation of 5¢ per kWh

Better Business

- Roof Insulation Upgrade - 7¢ per sq. ft. with a maximum of $5,000 per building
- Thermal Energy Storage w/Time-of-Use Rate (TES w/TOU) - $300 per kW of reduced cooling load at peak times
- Green Roof - 25¢ per sq. ft. for the installation of an approved Green Roof
- Efficient Compressed Air System - $50 per kW reduction
- Occupancy Sensors - $50 per kW of lighting load controlled
- Roof Top Unit recommission - $15 per ton
- HVAC Steam Cleaning - $15 per unit one-time
- Efficient Indoor Lighting - $50 per kW reduced, minimum of 1kW lighting reduction per incentive application
- Demand Control Ventilation - $50 per ton reduction
- Efficient Motors - $1.75 - $2.75 per hp based upon motor size, minimum number of motors 25 hp and smaller

- Window film - 75¢ per sq. ft. of window film installed per building, exception incentives for facilities with multiple rooms, up to $55 maximum per room

Commercial New Construction

- Roof Insulation - 7¢ per sq. ft. with a maximum of $5,000 per building
- Thermal Energy Storage with Time-of-Use Rate - $300 per kW of reduced cooling load at peak times
- Green Roof - 25¢ per sq. ft. for the installation of an approved Green Roof
- Efficient Compressed Air System - $50 per kW reduction
- Occupancy Sensors - $50 per kW of lighting load controlled
- Efficient Indoor Lighting - $50 per kW reduced, minimum of 1kW lighting reduction per incentive application
- Demand Control Ventilation - $50 per ton reduction
- Efficient Motors - $1.75 - $2.75 per hp based upon motor size, minimum number of motors 25 hp and smaller
- Window film - 75¢ per sq. ft. of window film installed per building, exception incentives for facilities with multiple rooms, up to $55 maximum per room

RESIDENTIAL CONSERVATION PROGRAMS

Progress Energy Florida's DSM Plan includes five (5) residential programs which the company seeks to modify:

A. Home Energy Improvement – Program designed for existing homes

B. Residential New Construction – Program for new residential construction, single family, multi-family, and manufactured homes

C. Neighborhood Energy Saver – Program for the weatherization of low income family homes

D. Renewable Energy Program – Program for alternative energy efficient systems for existing and new residential construction

E. Residential Year Round Energy Management – Residential load management

Each program is described in detail in the following sections.

HOME ENERGY IMPROVEMENT PROGRAM

Program Start Date: 1995
Program modified 2006
Proposed modification for 2007

Program Description

The Home Energy Improvement program is an "umbrella" program designed to increase energy efficiency for existing residential homes. It combines efficiency improvements to the thermal envelope with upgraded electric appliances.

Specific eligibility requirements for each measure promoted in this program will be presented in the "Program Participation Standards."

PEF proposes to add the following measures to its previously approved program as follows:

Attic Insulation R15 to R30 Upgrade

This portion of the program encourages customers having less than R16 existing insulation to increase the attic insulation to R30 by paying a portion of the installed cost. The incentive will be $75 per residence up to 1500 sq. ft.; an additional incentive of 7¢ per square foot is paid for larger homes.

Spray-In Wall Insulation

This portion of the program encourages customers to add insulation to the block wall area by paying a portion of the installed cost. The proposed incentive will be 20¢ per square foot for the installation of wall insulation adjacent to conditioned space with a maximum incentive of $300 per residence.

Central Electric Air Conditioning with Existing Non-Electric Heat

This portion of the program encourages customers with existing non-electric heat, to install high efficiency electric air conditioners. PEF will provide an incentive of $50 per unit with a SEER rating of 14 or higher.

Supply and Return Plenum Duct Seal

This measure encourages the sealing of the supply and return portion of the plenum to the air handler. This incentive applies only for new heating/cooling systems with a qualifying SEER rating of 14 or higher. The proposed incentive for plenum sealing is $50 per system.

Proper Sizing of High Efficiency Air Conditioners

This portion of the program encourages the customer to have the air conditioning unit properly sized using an approved sizing software. This incentive applies only for heating/cooling systems when installing a new air handler and condensing unit. The proposed incentive for the proper sizing of high efficiency heating/cooling systems is $75 per system.

HVAC Commissioning

This portion of the program encourages the evaluation and optimization of heating/cooling systems using approved software. To qualify for the $50 incentive per system the customer must complete the specified recommendations.

Reflective Roof Manufactured Homes

This measure will provide incentives to install an approved Energy Star Roofing Product. The residence must have whole house electric cooling to be eligible for an incentive of $40 per residence.

Reflective Roof Single Family Homes

This measure provides an incentive to install light colored roofs on the residence. The residence must have whole house electric cooling to be eligible for this measure. The incentive will be 15¢ per square foot over conditioned space with a maximum incentive of $150.

Window Film and Window Screen

This portion of the program encourages customers to install qualifying film or screening on their windows facing east, west, and south. The residence must have whole house electric cooling to be eligible for this measure. The proposed maximum incentive is half the cost up to $100.

Replacement Windows

This measure encourages the installation of new high performance windows when replacing existing windows. The customer must have whole house electric cooling and heating to be eligible for this measure. Windows of the residence qualify for the incentive of $1.00 per square foot of the window area with a maximum incentive of $250 per residence.

Projected Program Participation

Cumulative participation estimates for the program are shown in the table below.

Residential Home Energy Improvement Table for 2006 DSM Modification Filing				
Year	Total Number of Customers (1)	Total Number of Eligible Customers (2)	Annual Number of Measures	Cumulative Penetration Level (%)
2007	1,452,431	101,670	14,759	15%
2008	1,481,473	205,373	29,908	15%
2009	1,509,934	311,069	45,057	14%
2010	1,538,271	418,748	60,206	14%
2011	1,566,662	528,414	75,355	14%
2012	1,595,236	640,080	90,504	14%
2013	1,623,967	753,758	105,653	14%
2014	1,652,629	869,442	120,802	14%

1. *Total Number of Customers is the forecast of all residential customers, from the August 2006 Forecast.*
2. *Total number of Eligible Customers is based on an approximatly 7% eligiblity. (assume 7%)*

Projected Savings

Total program savings were developed by first estimating the total savings for each individual measure based on each measure's (1) per customer savings and, (2) annual projected participation. The total projected program savings were then computed as the sum of the individual measure savings, and are shown in the following tables.

Home Energy Improvement - At the Meter						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	684	1.377	0.44	10,098,870	20,321	6,543
2008	688	1.365	0.44	20,571,385	40,810	13,299
2009	689	1.361	0.45	31,043,900	61,300	20,056
2010	690	1.359	0.45	41,516,415	81,790	26,812
2011	690	1.357	0.45	51,988,930	102,280	33,569
2012	690	1.357	0.45	62,461,445	122,769	40,325
2013	690	1.356	0.45	72,933,960	143,259	47,082
2014	690	1.356	0.45	83,406,475	163,749	53,838

Home Energy Improvement - At the Generator						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	729	1.467	0.472	10,761,154	21,653	6,972
2008	733	1.454	0.474	21,920,456	43,487	14,172
2009	734	1.450	0.474	33,079,759	65,320	21,371
2010	735	1.448	0.475	44,239,061	87,154	28,571
2011	735	1.446	0.475	55,398,364	108,987	35,770
2012	735	1.445	0.475	66,557,667	130,820	42,970
2013	736	1.445	0.475	77,716,969	152,654	50,169
2014	736	1.444	0.475	88,876,272	174,487	57,369

Cost Effectiveness Analysis

Home Energy Improvement				
Cost-Effectiveness Test	NPV Benefits $(000)	NPV Costs $(000)	NPV Net Benefits $(000)	B/C Ratio
Rate Impact Measure	193,895	115,644	78,251	1.68
Participant	112,362	36,584	75,778	3.07
Total Resource Cost	193,895	39,867	154,029	4.86

PROGRAM: **Home Energy Improvement Program RIM**

	BENEFITS					COSTS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	REVENUE GAINS	**TOTAL BENEFITS**	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	INCENTIVE PAYMENTS	REVENUE LOSSES	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	5	1	0	0	5	0	0	0	3	10	5	18	-12
2007	2,195	503	0	0	2,697	0	0	0	985	5,290	1,996	8,271	-5,574
2008	3,840	721	1,616	0	6,177	0	0	0	422	2,234	2,910	5,566	611
2009	5,015	954	2,297	0	8,267	0	0	0	447	2,421	3,830	6,697	1,569
2010	5,559	1,208	3,001	0	9,768	0	0	0	482	2,654	5,060	8,196	1,572
2011	5,229	1,478	5,206	0	11,913	0	0	0	509	2,811	6,488	9,808	2,105
2012	8,367	1,771	4,952	0	15,090	0	0	0	553	3,061	7,990	11,604	3,486
2013	9,757	2,067	6,621	0	18,445	0	0	0	557	3,087	9,361	13,004	5,441
2014	11,823	2,354	8,952	0	23,129	0	0	0	537	2,992	10,651	14,179	8,950
2015	12,603	2,354	11,417	0	26,374	0	0	0	0	0	11,086	11,086	15,287
2016	12,177	2,354	10,152	0	24,683	0	0	0	0	0	11,745	11,745	12,939
2017	11,761	2,354	8,497	0	22,611	0	0	0	0	0	11,417	11,417	11,194
2018	11,793	2,354	9,657	0	23,804	0	0	0	0	0	11,531	11,531	12,273
2019	11,720	2,354	8,891	0	22,966	0	0	0	0	0	11,421	11,421	11,545
2020	12,053	2,354	11,725	0	26,132	0	0	0	0	0	11,238	11,238	14,894
2021	12,028	2,354	10,918	0	25,300	0	0	0	0	0	11,358	11,358	13,942
2022	11,779	2,354	9,773	0	23,906	0	0	0	0	0	11,481	11,481	12,425
2023	11,840	2,354	9,219	0	23,414	0	0	0	0	0	11,608	11,608	11,806
2024	11,950	2,354	8,637	0	22,941	0	0	0	0	0	11,738	11,738	11,203
2025	12,326	2,354	8,810	0	23,490	0	0	0	0	0	11,871	11,871	11,619
2026	12,515	2,354	8,852	0	23,722	0	0	0	0	0	12,007	12,007	11,714
2027	12,817	2,354	9,150	0	24,320	0	0	0	0	0	12,148	12,148	12,172
2028	13,004	2,354	9,559	0	24,917	0	0	0	0	0	12,292	12,292	12,625
2029	13,347	2,354	9,571	0	25,271	0	0	0	0	0	12,441	12,441	12,830
2030	13,605	2,354	9,978	0	25,938	0	0	0	0	0	12,593	12,593	13,344
2031	13,913	2,354	10,027	0	26,294	0	0	0	0	0	12,750	12,750	13,544
2032	14,189	2,354	10,569	0	27,112	0	0	0	0	0	12,911	12,911	14,201
2033	14,523	2,354	10,622	0	27,499	0	0	0	0	0	13,076	13,076	14,423
2034	14,791	2,354	11,247	0	28,392	0	0	0	0	0	13,246	13,246	15,146
2035	15,228	2,354	11,170	0	28,751	0	0	0	0	0	13,421	13,421	15,330
NOMINAL	321,747	60,493	241,088	0	623,328	0	0	0	4,493	24,558	301,671	330,722	292,606
NPV	100,635	19,844	73,416	0	193,895	0	0	0	3,283	17,891	94,471	115,644	78,251

Utility Discount Rate = 8.1

Benefit Cost Ratio = 1.677

PROGRAM: **Home Energy Improvement Program Participant**

	BENEFITS				COSTS			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
YEAR	SAVINGS IN PARTICIPANT'S BILL $(000)	INCENTIVE PAYMENTS $(000)	OTHER PARTICIPANT'S BENEFITS $(000)	**TOTAL BENEFITS** $(000)	PARTICIPANT'S COST $(000)	PARTICIPANT'S BILL INCREASE $(000)	**TOTAL COSTS** $(000)	**NET BENEFITS TO PARTICIPANTS** $(000)
2006	5	10	0	15	48	0	48	-33
2007	1,996	5,290	0	7,286	9,975	0	9,975	-2,689
2008	2,910	2,234	0	5,144	4,879	0	4,879	265
2009	3,830	2,421	0	6,250	5,422	0	5,422	828
2010	5,060	2,654	0	7,714	5,763	0	5,763	1,952
2011	6,488	2,811	0	9,299	5,903	0	5,903	3,396
2012	7,990	3,061	0	11,051	6,125	0	6,125	4,926
2013	9,361	3,087	0	12,447	6,152	0	6,152	6,296
2014	10,651	2,992	0	13,643	5,999	0	5,999	7,643
2015	11,086	0	0	11,086	0	0	0	11,086
2016	11,745	0	0	11,745	0	0	0	11,745
2017	11,417	0	0	11,417	0	0	0	11,417
2018	11,531	0	0	11,531	0	0	0	11,531
2019	11,421	0	0	11,421	0	0	0	11,421
2020	11,238	0	0	11,238	0	0	0	11,238
2021	11,358	0	0	11,358	0	0	0	11,358
2022	11,481	0	0	11,481	0	0	0	11,481
2023	11,608	0	0	11,608	0	0	0	11,608
2024	11,738	0	0	11,738	0	0	0	11,738
2025	11,871	0	0	11,871	0	0	0	11,871
2026	12,007	0	0	12,007	0	0	0	12,007
2027	12,148	0	0	12,148	0	0	0	12,148
2028	12,292	0	0	12,292	0	0	0	12,292
2029	12,441	0	0	12,441	0	0	0	12,441
2030	12,593	0	0	12,593	0	0	0	12,593
2031	12,750	0	0	12,750	0	0	0	12,750
2032	12,911	0	0	12,911	0	0	0	12,911
2033	13,076	0	0	13,076	0	0	0	13,076
2034	13,246	0	0	13,246	0	0	0	13,246
2035	13,421	0	0	13,421	0	0	0	13,421
NOMINAL	301,671	24,558	0	326,229	50,265	0	50,265	275,964
NPV	94,471	17,891	0	112,362	36,584	0	36,584	75,778

Utility Discount Rate = 8.1

Benefit Cost Ratio = 3.071

PROGRAM: **Home Energy Improvement Program TRC**

	BENEFITS					COSTS						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	OTHER PARTICIPANT BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	5	1	0	0	5	48	0	0	0	3	51	-45
2007	2,195	503	0	0	2,697	9,975	0	0	0	985	10,960	-8,263
2008	3,840	721	1,616	0	6,177	4,879	0	0	0	422	5,301	876
2009	5,015	954	2,297	0	8,267	5,422	0	0	0	447	5,869	2,398
2010	5,559	1,208	3,001	0	9,768	5,763	0	0	0	482	6,244	3,524
2011	5,229	1,478	5,206	0	11,913	5,903	0	0	0	509	6,412	5,501
2012	8,367	1,771	4,952	0	15,090	6,125	0	0	0	553	6,678	8,412
2013	9,757	2,067	6,621	0	18,445	6,152	0	0	0	557	6,709	11,737
2014	11,823	2,354	8,952	0	23,129	5,999	0	0	0	537	6,536	16,593
2015	12,603	2,354	11,417	0	26,374	0	0	0	0	0	0	26,374
2016	12,177	2,354	10,152	0	24,683	0	0	0	0	0	0	24,683
2017	11,761	2,354	8,497	0	22,611	0	0	0	0	0	0	22,611
2018	11,793	2,354	9,657	0	23,804	0	0	0	0	0	0	23,804
2019	11,720	2,354	8,891	0	22,966	0	0	0	0	0	0	22,966
2020	12,053	2,354	11,725	0	26,132	0	0	0	0	0	0	26,132
2021	12,028	2,354	10,918	0	25,300	0	0	0	0	0	0	25,300
2022	11,779	2,354	9,773	0	23,906	0	0	0	0	0	0	23,906
2023	11,840	2,354	9,219	0	23,414	0	0	0	0	0	0	23,414
2024	11,950	2,354	8,637	0	22,941	0	0	0	0	0	0	22,941
2025	12,326	2,354	8,810	0	23,490	0	0	0	0	0	0	23,490
2026	12,515	2,354	8,852	0	23,722	0	0	0	0	0	0	23,722
2027	12,817	2,354	9,150	0	24,320	0	0	0	0	0	0	24,320
2028	13,004	2,354	9,559	0	24,917	0	0	0	0	0	0	24,917
2029	13,347	2,354	9,571	0	25,271	0	0	0	0	0	0	25,271
2030	13,605	2,354	9,978	0	25,938	0	0	0	0	0	0	25,938
2031	13,913	2,354	10,027	0	26,294	0	0	0	0	0	0	26,294
2032	14,189	2,354	10,569	0	27,112	0	0	0	0	0	0	27,112
2033	14,523	2,354	10,622	0	27,499	0	0	0	0	0	0	27,499
2034	14,791	2,354	11,247	0	28,392	0	0	0	0	0	0	28,392
2035	15,228	2,354	11,170	0	28,751	0	0	0	0	0	0	28,751
NOMINAL	321,747	60,493	241,088	0	623,328	50,265	0	0	0	4,493	54,758	568,570
NPV	100,635	19,844	73,416	0	193,895	36,584	0	0	0	3,283	39,867	154,029

Utility Discount Rate = 8.1

Benefit Cost Ratio = 4.864

RESIDENTIAL NEW CONSTRUCTION

Program Start Date: 1995
Program modified 2000, 2004, 2006
Proposed modification for 2007

Program Description

The New Construction program is an "umbrella" program for the New Construction, single family, multi-family, and manufactured home building segments. The New Construction program promotes energy efficient construction in order to provide customers with more efficient dwellings combined with improved environmental comfort. This program has three levels of participation with various options within each level. The builder is offered a choice of energy efficiency measures that more closely meet the home's design criteria. Program details such as builder qualification criteria, home certification requirements, and incentive levels for high efficient equipment promoted by this program will be presented in the Program Participation Standards. The incentives are paid to the builder.

PEF proposes to add the following measures to its previously approved program as follows:

HVAC Commissioning

This measure uses approved software to evaluate and insure proper refrigerant charge and air flow per manufacture specifications. The proposed incentive is $50 per unit.

Window Film and Window Screen

This portion of the program involves the installation of qualifying shading coefficient film or screen on the windows facing east, west, and south. The proposed incentive is $100 for installing window film or window screen. Only one incentive would apply per home.

Reflective Roof Single Family

This portion of the program provides an incentive for the installation of reflective roof material on the home. The proposed incentive is $100 per home.

Attic Spray-On Foam Insulation

This portion of the program provides an incentive for adding foam insulation above the ceiling area by paying a portion of the installed cost. The proposed incentive will be $100 per home.

Wall Insulation

This portion of the program provides an incentive to add insulation to the block wall area adjacent to conditioned space beyond code requirements by paying a portion of the installed cost. The proposed incentive is $200 per home.

Conditioned Space Air Handler

This portion of the program will provide a $50 incentive for locating the air handler in conditioned space. The proposed incentive would apply upon conversion of the design plan to accommodate the location of the air handler to conditioned space.

Energy Recovery Ventilation

This program measure promotes the installation of high efficiency energy recovery ventilation (ERV) units in the conditioned air stream for homes with whole house electric heat pump systems. The proposed incentive will be $150 per home.

Projected Program Participation

Cumulative participation estimates for the program are shown in the table below.

Residential New Construction Table for 2006 DSM Modification Filing

Year	Total Number of Customers (1)	Total Number of Eligible Customers (2)	Annual Number of Measures/ Participants (3)	Cumulative Penetration Level (%)
2007	1,452,431	28,982	20,978	72%
2008	1,481,473	58,024	42,216	73%
2009	1,509,934	86,485	63,504	73%
2010	1,538,271	114,822	84,792	74%
2011	1,566,662	143,213	106,080	74%
2012	1,595,236	171,787	127,368	74%
2013	1,623,967	200,518	148,656	74%
2014	1,652,629	229,180	169,944	74%

1. *Total Number of Customers is the forecast of all residential customers, from the August 2006 Forecast.*
2. *Total number of eligible new homes constructed in PEF's territory.*
3. *Annual Number of Measure Participants is the projected number of cumulative measure applications from all measures promoted by this program. Because customer can install multiple measures, the actual number of participants will be less.*

Projected Savings

Total program savings were developed by first estimating the total savings for each individual measure based on each measure's (1) per customer savings and, (2) annual projected participation. The total projected program savings were then computed as the sum of the individual measure savings, and are shown in the following tables.

Residential New Construction - At the Meter						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	298	0.728	0.35	6,248,862	15,276	7,391
2008	301	0.727	0.35	12,713,044	30,706	14,940
2009	302	0.727	0.35	19,200,176	46,180	22,482
2010	303	0.727	0.35	25,687,308	61,653	30,025
2011	303	0.727	0.35	32,174,440	77,127	37,567
2012	304	0.727	0.35	38,661,572	92,600	45,110
2013	304	0.727	0.35	45,148,704	108,073	52,652
2014	304	0.727	0.35	51,635,836	123,547	60,195

Residential New Construction - At the Generator						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	317	0.776	0.375	6,658,662	16,277	7,876
2008	321	0.775	0.377	13,546,765	32,720	15,919
2009	322	0.775	0.377	20,459,324	49,208	23,956
2010	323	0.775	0.377	27,371,882	65,696	31,994
2011	323	0.775	0.377	34,284,440	82,184	40,031
2012	323	0.775	0.377	41,196,998	98,673	48,068
2013	324	0.775	0.377	48,109,556	115,161	56,105
2014	324	0.775	0.377	55,022,115	131,649	64,142

Cost Effectiveness Analysis

Residential New Construction				
Cost-Effectiveness Test	NPV Benefits $(000)	NPV Costs $(000)	NPV Net Benefits $(000)	B/C Ratio
Rate Impact Measure	140,833	61,998	78,835	2.27
Participant	54,742	22,062	32,680	2.48
Total Resource Cost	140,833	29,318	111,515	4.80

PROGRAM: **Residential New Construction Program RIM**

	BENEFITS					COSTS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	REVENUE GAINS	**TOTAL BENEFITS**	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	INCENTIVE PAYMENTS	REVENUE LOSSES	**TOTAL COSTS**	NET BENEFITS
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	855	246	0	0	1,100	0	0	0	1,231	293	664	2,188	-1,088
2008	2,226	496	1,176	0	3,898	0	0	0	1,278	330	1,376	2,984	914
2009	3,222	745	1,821	0	5,787	0	0	0	1,274	313	2,047	3,634	2,153
2010	3,830	994	2,563	0	7,386	0	0	0	1,274	313	2,832	4,419	2,967
2011	3,392	1,242	4,569	0	9,204	0	0	0	1,274	313	3,698	5,285	3,919
2012	5,800	1,491	4,199	0	11,491	0	0	0	1,274	313	4,548	6,135	5,356
2013	6,769	1,740	5,402	0	13,912	0	0	0	1,274	313	5,316	6,903	7,009
2014	7,976	1,989	6,657	0	16,622	0	0	0	1,274	313	6,063	7,650	8,972
2015	8,331	1,989	7,921	0	18,241	0	0	0	0	0	6,311	6,311	11,930
2016	8,210	1,989	7,419	0	17,618	0	0	0	0	0	6,686	6,686	10,933
2017	8,012	1,989	6,550	0	16,551	0	0	0	0	0	6,499	6,499	10,052
2018	8,046	1,989	7,237	0	17,272	0	0	0	0	0	6,564	6,564	10,708
2019	8,012	1,989	6,827	0	16,828	0	0	0	0	0	6,501	6,501	10,327
2020	8,129	1,989	8,336	0	18,454	0	0	0	0	0	6,397	6,397	12,057
2021	8,157	1,989	7,981	0	18,126	0	0	0	0	0	6,466	6,466	11,660
2022	8,077	1,989	7,433	0	17,499	0	0	0	0	0	6,536	6,536	10,963
2023	8,129	1,989	7,181	0	17,299	0	0	0	0	0	6,608	6,608	10,691
2024	8,223	1,989	6,942	0	17,154	0	0	0	0	0	6,682	6,682	10,472
2025	8,458	1,989	7,095	0	17,542	0	0	0	0	0	6,758	6,758	10,784
2026	8,578	1,989	7,165	0	17,733	0	0	0	0	0	6,836	6,836	10,897
2027	8,766	1,989	7,370	0	18,125	0	0	0	0	0	6,916	6,916	11,210
2028	8,900	1,989	7,694	0	18,584	0	0	0	0	0	6,998	6,998	11,586
2029	9,122	1,989	7,781	0	18,892	0	0	0	0	0	7,083	7,083	11,809
2030	9,279	1,989	8,032	0	19,300	0	0	0	0	0	7,169	7,169	12,130
2031	9,494	1,989	8,163	0	19,646	0	0	0	0	0	7,259	7,259	12,387
2032	9,661	1,989	8,509	0	20,159	0	0	0	0	0	7,350	7,350	12,810
2033	9,893	1,989	8,652	0	20,534	0	0	0	0	0	7,444	7,444	13,090
2034	10,058	1,989	9,057	0	21,103	0	0	0	0	0	7,541	7,541	13,563
2035	10,326	1,989	9,047	0	21,362	0	0	0	0	0	7,640	7,640	13,722
NOMINAL	217,927	50,715	188,780	0	457,422	0	0	0	10,151	2,501	170,786	183,439	273,983
NPV	67,383	16,424	57,026	0	140,833	0	0	0	7,256	1,788	52,954	61,998	78,835

Utility Discount Rate = 8.1

Benefit Cost Ratio = 2.272

PROGRAM: **Residential New Construction Program Participant**

	BENEFITS				COSTS			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	SAVINGS IN PARTICIPANT'S BILL	INCENTIVE PAYMENTS	OTHER PARTICIPANT'S BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	PARTICIPANT'S BILL INCREASE	**TOTAL COSTS**	**NET BENEFITS TO PARTICIPANTS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0
2007	664	293	0	957	3,741	0	3,741	-2,784
2008	1,376	330	0	1,706	3,898	0	3,898	-2,192
2009	2,047	313	0	2,360	3,871	0	3,871	-1,510
2010	2,832	313	0	3,146	3,871	0	3,871	-725
2011	3,698	313	0	4,011	3,871	0	3,871	141
2012	4,548	313	0	4,861	3,871	0	3,871	991
2013	5,316	313	0	5,629	3,871	0	3,871	1,759
2014	6,063	313	0	6,376	3,871	0	3,871	2,506
2015	6,311	0	0	6,311	0	0	0	6,311
2016	6,686	0	0	6,686	0	0	0	6,686
2017	6,499	0	0	6,499	0	0	0	6,499
2018	6,564	0	0	6,564	0	0	0	6,564
2019	6,501	0	0	6,501	0	0	0	6,501
2020	6,397	0	0	6,397	0	0	0	6,397
2021	6,466	0	0	6,466	0	0	0	6,466
2022	6,536	0	0	6,536	0	0	0	6,536
2023	6,608	0	0	6,608	0	0	0	6,608
2024	6,682	0	0	6,682	0	0	0	6,682
2025	6,758	0	0	6,758	0	0	0	6,758
2026	6,836	0	0	6,836	0	0	0	6,836
2027	6,916	0	0	6,916	0	0	0	6,916
2028	6,998	0	0	6,998	0	0	0	6,998
2029	7,083	0	0	7,083	0	0	0	7,083
2030	7,169	0	0	7,169	0	0	0	7,169
2031	7,259	0	0	7,259	0	0	0	7,259
2032	7,350	0	0	7,350	0	0	0	7,350
2033	7,444	0	0	7,444	0	0	0	7,444
2034	7,541	0	0	7,541	0	0	0	7,541
2035	7,640	0	0	7,640	0	0	0	7,640
NOMINAL	170,786	2,501	0	173,288	30,862	0	30,862	142,425
NPV	52,954	1,788	0	54,742	22,062	0	22,062	32,680

Utility Discount Rate = 8.1

Benefit Cost Ratio = 2.481

PROGRAM: **Residential New Construction Program TRC**

	BENEFITS					COSTS						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	OTHER PARTICIPANT BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0
2007	855	246	0	0	1,100	3,741	0	0	0	1,231	4,972	-3,872
2008	2,226	496	1,176	0	3,898	3,898	0	0	0	1,278	5,176	-1,279
2009	3,222	745	1,821	0	5,787	3,871	0	0	0	1,274	5,144	643
2010	3,830	994	2,563	0	7,386	3,871	0	0	0	1,274	5,144	2,242
2011	3,392	1,242	4,569	0	9,204	3,871	0	0	0	1,274	5,144	4,060
2012	5,800	1,491	4,199	0	11,491	3,871	0	0	0	1,274	5,144	6,347
2013	6,769	1,740	5,402	0	13,912	3,871	0	0	0	1,274	5,144	8,767
2014	7,976	1,989	6,657	0	16,622	3,871	0	0	0	1,274	5,144	11,478
2015	8,331	1,989	7,921	0	18,241	0	0	0	0	0	0	18,241
2016	8,210	1,989	7,419	0	17,618	0	0	0	0	0	0	17,618
2017	8,012	1,989	6,550	0	16,551	0	0	0	0	0	0	16,551
2018	8,046	1,989	7,237	0	17,272	0	0	0	0	0	0	17,272
2019	8,012	1,989	6,827	0	16,828	0	0	0	0	0	0	16,828
2020	8,129	1,989	8,336	0	18,454	0	0	0	0	0	0	18,454
2021	8,157	1,989	7,981	0	18,126	0	0	0	0	0	0	18,126
2022	8,077	1,989	7,433	0	17,499	0	0	0	0	0	0	17,499
2023	8,129	1,989	7,181	0	17,299	0	0	0	0	0	0	17,299
2024	8,223	1,989	6,942	0	17,154	0	0	0	0	0	0	17,154
2025	8,458	1,989	7,095	0	17,542	0	0	0	0	0	0	17,542
2026	8,578	1,989	7,165	0	17,733	0	0	0	0	0	0	17,733
2027	8,766	1,989	7,370	0	18,125	0	0	0	0	0	0	18,125
2028	8,900	1,989	7,694	0	18,584	0	0	0	0	0	0	18,584
2029	9,122	1,989	7,781	0	18,892	0	0	0	0	0	0	18,892
2030	9,279	1,989	8,032	0	19,300	0	0	0	0	0	0	19,300
2031	9,494	1,989	8,163	0	19,646	0	0	0	0	0	0	19,646
2032	9,661	1,989	8,509	0	20,159	0	0	0	0	0	0	20,159
2033	9,893	1,989	8,652	0	20,534	0	0	0	0	0	0	20,534
2034	10,058	1,989	9,057	0	21,103	0	0	0	0	0	0	21,103
2035	10,326	1,989	9,047	0	21,362	0	0	0	0	0	0	21,362
NOMINAL	217,927	50,715	188,780	0	457,422	30,862	0	0	0	10,151	41,013	416,408
NPV	67,383	16,424	57,026	0	140,833	22,062	0	0	0	7,256	29,318	111,515

Utility Discount Rate = 8.1

Benefit Cost Ratio = 4.804

Neighborhood Energy Saver

Program Start Date: 2007

Program Description

The Neighborhood Energy Saver Program (NES) was designed by Progress Energy Florida (PEF) to assist low-income families with escalating energy costs. The goal of the NES program is to implement a comprehensive package of electric conservation measures at no cost to the customer. In addition to the installation of the conservation measures, an important component of this program is educating families on energy efficiency techniques and the promotion of behavioral changes to help customers control their energy usage. Additionally, the NES program uses a unique canvassing technique that employs a door-to-door implementation strategy with a coinciding informational and educational communications campaign. The comprehensive package of electric conservation measures will consist of the following items:

Compact Fluorescent Bulb

This measure will provide the resident with five (5) compact fluorescent bulbs to replace incandescent bulbs with the identical lumens output.

Water Heater Wrap and Insulation for Water Pipes

This portion of the program will furnish and install a hot water heater wrap and pipe insulation as identified by the Neighborhood Energy Saver Program Home Energy Evaluation form.

Water Heater Temperature Check and Adjustment

The portion of the program will provide a temperature check of the hot water heater and inform the customer of the possibility for turn-down adjustment.

Low Flow Faucet Aerator

This measure will allow for the installation of a maximum of three (3) aerators per household.

Low Flow Showerhead

This measure will allow for the installation of a maximum of two (2) low flow showerheads per household.

Water Closet Leak Detection Tablets

This portion of the program will educate the customer on the process of leak detection.

Refrigerator Coil Brush

This portion of the program will provide the customer with a coil brush.

Refrigerator Thermometer

This measure will provide for the installation of one (1) thermometer in the food compartment and one (1) thermometer in the freezer of the refrigerator.

Wall Plate Thermometer

This portion of the program will provide the installation of one (1) wall plate thermometer per home.

HVAC Winterization Kit

This measure will provide for the installation of a winterization HVAC kit for wall/window AC units if seasonably applicable. The resident will receive or have installed a maximum of three (3) kits. The customer will be educated on the proper use and value of the weatherization kit as a method of stopping air infiltration in the home.

HVAC Filters

This portion of the program will allow each customer to receive a one year supply (12) of filters.

Change Filter Calendar

This portion of the program will provide each homeowner a Progress Energy magnetic calendar to help remind them to clean or change filter monthly.

Weatherization Measures

This portion of the program will provide weather stripping, door sweeps, caulk, foam sealant, clear patch tape which will be used to reduce or stop air infiltration around doors, windows, attic doors, and where pipes enter the home. Air infiltration reduction is key to saving energy and customer comfort.

Projected Program Participation

Neighborhood Energy Saver				
Year	Total Number of Customers (1)	Total Number of Eligible Customers (2)	Annual Number of Measures	Cumulative Penetration Level %
2007	1,452,431	2,000	1,500	75%
2008	1,481,473	4,000	3,000	75%
2009	1,509,934	6,000	4,500	75%
2010	1,538,271	8,000	6,000	75%
2011	1,566,662	10,000	7,500	75%
2012	1,595,236	12,000	9,000	75%
2013	1,623,967	14,000	10,500	75%
2014	1,652,629	16,000	12,000	75%

1. Total Number of Customers is the forecast of all residential customers, from the August 2006 Forecast.
2. Total number of Eligible Customers is based on 2000 expected participants per year and derived from an estimate of preliminary data from the 2000 U.S. Census.

Projected Savings

Total program savings were developed by first estimating the total savings for each individual measure based on each measure's (1) per customer savings and, (2) annual projected participation. The total projected program savings were then computed as the sum of the individual measure savings, and are shown in the following tables.

Neighborhood Energy Saver - At the Meter						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	2596	0.59	0.92	3,893,627	892	1,385
2008	2596	0.59	0.92	7,787,254	1,784	2,770
2009	2596	0.59	0.92	11,680,881	2,676	4,155
2010	2596	0.59	0.92	15,574,507	3,568	5,540
2011	2596	0.59	0.92	19,468,134	4,460	6,925
2012	2596	0.59	0.92	23,361,761	5,352	8,310
2013	2596	0.59	0.92	27,255,388	6,244	9,696
2014	2596	0.59	0.92	31,148,279	7,135	11,080

Neighborhood Energy Saver - At the Generator						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	2766	0.634	0.984	4,148,971	950	1,476
2008	2766	0.634	0.984	8,297,942	1,901	2,952
2009	2766	0.634	0.984	12,446,913	2,851	4,428
2010	2766	0.634	0.984	16,595,884	3,802	5,904
2011	2766	0.634	0.984	20,744,854	4,752	7,380
2012	2766	0.634	0.984	24,893,825	5,703	8,855
2013	2766	0.634	0.984	29,042,796	6,653	10,331
2014	2766	0.634	0.984	33,190,983	7,603	11,807

Cost Effectiveness Analysis

Neighborhood Energy Saver				
Cost-Effectiveness Test	NPV Benefits $(000)	NPV Costs $(000)	NPV Net Benefits $(000)	B/C Ratio
Rate Impact Measure	26,266	23,106	3,160	1.14
Participant	21,878	0	21,878	N/A
Total Resource Cost	26,266	1,228	25,039	21.40

PROGRAM: **Neighborhood Energy Saver RIM**

	BENEFITS						COSTS							
	(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	REVENUE GAINS	**TOTAL BENEFITS**		TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	INCENTIVE PAYMENTS	REVENUE LOSSES	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)		$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	218	28	0	0	246	0	0	0	0	184	91	239	514	-268
2008	488	56	141	0	685	0	0	0	0	184	91	482	757	-72
2009	722	83	223	0	1,028	0	0	0	0	184	91	713	987	41
2010	826	111	304	0	1,241	0	0	0	0	184	91	983	1,257	-17
2011	889	139	555	0	1,584	0	0	0	0	184	91	1,281	1,556	28
2012	1,280	167	485	0	1,931	0	0	0	0	184	91	1,574	1,848	83
2013	1,415	194	599	0	2,208	0	0	0	0	184	91	1,838	2,112	96
2014	1,635	223	704	0	2,562	0	0	0	0	184	91	2,094	2,369	193
2015	1,785	250	843	0	2,879	0	0	0	0	184	91	2,453	2,727	152
2016	2,043	278	940	0	3,261	0	0	0	0	184	91	2,887	3,161	100
2017	2,134	278	930	0	3,343	0	0	0	0	0	0	2,806	2,806	537
2018	2,023	278	968	0	3,269	0	0	0	0	0	0	2,834	2,834	435
2019	2,084	278	973	0	3,335	0	0	0	0	0	0	2,807	2,807	528
2020	1,921	278	1,036	0	3,235	0	0	0	0	0	0	2,762	2,762	472
2021	2,008	278	1,052	0	3,338	0	0	0	0	0	0	2,792	2,792	546
2022	2,064	278	1,059	0	3,402	0	0	0	0	0	0	2,822	2,822	580
2023	2,141	278	1,067	0	3,486	0	0	0	0	0	0	2,853	2,853	633
2024	2,208	278	1,073	0	3,559	0	0	0	0	0	0	2,885	2,885	675
2025	2,287	278	1,100	0	3,665	0	0	0	0	0	0	2,918	2,918	747
2026	2,339	278	1,123	0	3,741	0	0	0	0	0	0	2,951	2,951	790
2027	2,396	278	1,151	0	3,825	0	0	0	0	0	0	2,986	2,986	839
2028	2,424	278	1,193	0	3,895	0	0	0	0	0	0	3,021	3,021	874
2029	2,511	278	1,219	0	4,008	0	0	0	0	0	0	3,058	3,058	951
2030	2,551	278	1,250	0	4,079	0	0	0	0	0	0	3,095	3,095	984
2031	2,633	278	1,277	0	4,189	0	0	0	0	0	0	3,134	3,134	1,055
2032	2,660	278	1,320	0	4,258	0	0	0	0	0	0	3,173	3,173	1,085
2033	2,751	278	1,349	0	4,378	0	0	0	0	0	0	3,214	3,214	1,164
2034	2,795	278	1,404	0	4,477	0	0	0	0	0	0	3,256	3,256	1,222
2035	2,904	278	1,424	0	4,606	0	0	0	0	0	0	3,298	3,298	1,307
NOMINAL	56,135	6,813	26,762	0	89,710		0	0	0	1,838	907	71,205	73,950	15,760
NPV	16,566	2,120	7,581	0	26,266		0	0	0	1,228	606	21,272	23,106	3,160

Utility Discount Rate = 8.1

Benefit Cost Ratio = 1.137

PROGRAM: **Neighborhood Energy Saver Participant**

	BENEFITS					COSTS			
	(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)
	SAVINGS IN PARTICIPANT'S BILL	INCENTIVE PAYMENTS	OTHER PARTICIPANT'S BENEFITS	**TOTAL BENEFITS**		PARTICIPANT'S COST	PARTICIPANT'S BILL INCREASE	**TOTAL COSTS**	**NET BENEFITS TO PARTICIPANTS**
YEAR	$(000)	$(000)	$(000)	$(000)		$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0
2007	239	91	0	330	0	0	0	0	330
2008	482	91	0	573	0	0	0	0	573
2009	713	91	0	803	0	0	0	0	803
2010	983	91	0	1,074	0	0	0	0	1,074
2011	1,281	91	0	1,372	0	0	0	0	1,372
2012	1,574	91	0	1,664	0	0	0	0	1,664
2013	1,838	91	0	1,928	0	0	0	0	1,928
2014	2,094	91	0	2,185	0	0	0	0	2,185
2015	2,453	91	0	2,543	0	0	0	0	2,543
2016	2,887	91	0	2,977	0	0	0	0	2,977
2017	2,806	0	0	2,806	0	0	0	0	2,806
2018	2,834	0	0	2,834	0	0	0	0	2,834
2019	2,807	0	0	2,807	0	0	0	0	2,807
2020	2,762	0	0	2,762	0	0	0	0	2,762
2021	2,792	0	0	2,792	0	0	0	0	2,792
2022	2,822	0	0	2,822	0	0	0	0	2,822
2023	2,853	0	0	2,853	0	0	0	0	2,853
2024	2,885	0	0	2,885	0	0	0	0	2,885
2025	2,918	0	0	2,918	0	0	0	0	2,918
2026	2,951	0	0	2,951	0	0	0	0	2,951
2027	2,986	0	0	2,986	0	0	0	0	2,986
2028	3,021	0	0	3,021	0	0	0	0	3,021
2029	3,058	0	0	3,058	0	0	0	0	3,058
2030	3,095	0	0	3,095	0	0	0	0	3,095
2031	3,134	0	0	3,134	0	0	0	0	3,134
2032	3,173	0	0	3,173	0	0	0	0	3,173
2033	3,214	0	0	3,214	0	0	0	0	3,214
2034	3,256	0	0	3,256	0	0	0	0	3,256
2035	3,298	0	0	3,298	0	0	0	0	3,298
NOMINAL	71,205	907	0	72,113		0	0	0	72,113
NPV	21,272	606	0	21,878		0	0	0	21,878

Utility Discount Rate = 8.1

Benefit Cost Ratio = 9999

PROGRAM: **Neighborhood Energy Saver TRC**

	BENEFITS						COSTS						
	(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	(12)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	OTHER PARTICIPANT BENEFITS	**TOTAL BENEFITS**		PARTICIPANT'S COST	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)		$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	218	28	0	0	246	0	0	0	0	0	184	184	62
2008	488	56	141	0	685	0	0	0	0	0	184	184	501
2009	722	83	223	0	1,028	0	0	0	0	0	184	184	844
2010	826	111	304	0	1,241	0	0	0	0	0	184	184	1,057
2011	889	139	555	0	1,584	0	0	0	0	0	184	184	1,400
2012	1,280	167	485	0	1,931	0	0	0	0	0	184	184	1,747
2013	1,415	194	599	0	2,208	0	0	0	0	0	184	184	2,024
2014	1,635	223	704	0	2,562	0	0	0	0	0	184	184	2,378
2015	1,785	250	843	0	2,879	0	0	0	0	0	184	184	2,695
2016	2,043	278	940	0	3,261	0	0	0	0	0	184	184	3,077
2017	2,134	278	930	0	3,343	0	0	0	0	0	0	0	3,343
2018	2,023	278	968	0	3,269	0	0	0	0	0	0	0	3,269
2019	2,084	278	973	0	3,335	0	0	0	0	0	0	0	3,335
2020	1,921	278	1,036	0	3,235	0	0	0	0	0	0	0	3,235
2021	2,008	278	1,052	0	3,338	0	0	0	0	0	0	0	3,338
2022	2,064	278	1,059	0	3,402	0	0	0	0	0	0	0	3,402
2023	2,141	278	1,067	0	3,486	0	0	0	0	0	0	0	3,486
2024	2,208	278	1,073	0	3,559	0	0	0	0	0	0	0	3,559
2025	2,287	278	1,100	0	3,665	0	0	0	0	0	0	0	3,665
2026	2,339	278	1,123	0	3,741	0	0	0	0	0	0	0	3,741
2027	2,396	278	1,151	0	3,825	0	0	0	0	0	0	0	3,825
2028	2,424	278	1,193	0	3,895	0	0	0	0	0	0	0	3,895
2029	2,511	278	1,219	0	4,008	0	0	0	0	0	0	0	4,008
2030	2,551	278	1,250	0	4,079	0	0	0	0	0	0	0	4,079
2031	2,633	278	1,277	0	4,189	0	0	0	0	0	0	0	4,189
2032	2,660	278	1,320	0	4,258	0	0	0	0	0	0	0	4,258
2033	2,751	278	1,349	0	4,378	0	0	0	0	0	0	0	4,378
2034	2,795	278	1,404	0	4,477	0	0	0	0	0	0	0	4,477
2035	2,904	278	1,424	0	4,606	0	0	0	0	0	0	0	4,606
NOMINAL	56,135	6,813	26,762	0	89,710		0	0	0	0	1,838	1,838	87,872
NPV	16,566	2,120	7,581	0	26,266		0	0	0	0	1,228	1,228	25,039

Utility Discount Rate = 8.1

Benefit Cost Ratio = 21.397

RENEWABLE ENERGY PROGRAM

Program Start Date: Proposed start date of 2007

Program Description

The Renewable Energy program is a new program designed to provide an incentive for renewable energy technology used in conjunction with energy management. This voluntary customer program allows PEF to reduce peak demand and defer generation construction. Renewable energy technology supplements a portion of consumer demand, while peak demand is reduced by interrupting service to selected electrical equipment with radio controlled switches installed on the customer's premises. These controlled interruptions are at PEF's option, during specified time periods, and coincident with hours of peak demand.

PEF has determined this program is cost-effective under the RIM test. This program allows the promotion of select "green" or renewable energy alternatives when they are bundled with the Energy Management program.

Specific eligibility requirements for the initial measures promoted in this program will be presented in the "Program Participation Standards."

PEF proposes the following measures for initial implementation of this program:

Solar Water Heater with Energy Management

This measure encourages residential customers to install a solar thermal water heating system. The customer must have whole house electric cooling, electric water heating, and electric heating to be eligible for this program. Pool heaters and photovoltaic systems would not qualify. In order to qualify for this incentive, the heating, air conditioning, and water heating systems must be on the Energy Management program. The proposed incentive is $450 per residence plus an associated Energy Management program credit, as stipulated in rate schedule attached as Appendix C.

Solar Photovoltaics with Energy Management

This measure promotes environmental stewardship and renewable energy education through the installation of solar energy systems at schools within Progress Energy Florida's service territory. Customers participating in the Winter-Only Energy Management or Year Round Energy Management Plan can elect to donate their monthly credit toward the Solar Photovoltaics with Energy Management Fund. The fund will accumulate associated participant credits for a period of 2 years, at which time the customer may elect to renew for an additional 2 years.

All proceeds collected from participating customers, and their associated monthly credits, will be used to promote photovoltaics and renewable energy educational opportunities.

Projected Program Participation

Cumulative participation estimates for the program are shown in the table below.

Renewable Energy Table for 2006 DSM Modification Filing				
Year	Total Number of Customers (1)	Total Number of Eligible Customers (2)	Annual Number of Measure Participants	Cumulative Penetration Level (%)
2007	1,452,431	347,000	1,066	0.31%
2008	1,481,473	357,000	1,503	0.42%
2009	1,509,934	382,000	2,035	0.53%
2010	1,538,271	407,000	2,617	0.64%
2011	1,566,662	427,000	3,214	0.75%
2012	1,595,236	437,000	3,771	0.86%
2013	1,623,967	447,000	4,348	0.97%
2014	1,652,629	457,000	4,945	1.08%

1. *Total Number of Customers is the forecast of all residential customers, from the August 2006 Forecast.*
2. *Total number of Eligible Customers is based on Current and projected residential energy management participation.*

Projected Savings

Total program savings were developed by estimating the total savings for the Solar Water Heater with Energy Management measure based on the measure's (1) per customer savings and, (2) annual projected participation. (3) kW and kWh contribution are per solar water with energy management only. Total Program savings are shown in the following tables.

Renewable Energy - At the Meter						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	911	0.040	0.27	22,775	1	7
2008	911	0.040	0.27	68,325	3	20
2009	911	0.040	0.27	113,875	5	34
2010	911	0.040	0.27	159,425	7	47
2011	911	0.040	0.27	204,975	9	61
2012	911	0.040	0.27	250,525	11	74
2013	911	0.040	0.27	296,075	13	88
2014	911	0.040	0.27	341,625	15	101

Renewable Energy - At the Generator						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	971	0.043	0.288	24,269	1	7
2008	971	0.043	0.288	72,806	3	22
2009	971	0.043	0.288	121,343	5	36
2010	971	0.043	0.288	169,880	7	50
2011	971	0.043	0.288	218,417	10	65
2012	971	0.043	0.288	266,954	12	79
2013	971	0.043	0.288	315,492	14	94
2014	971	0.043	0.288	364,029	16	108

Cost Effectiveness Analysis

Renewable Energy				
Cost-Effectiveness Test	NPV Benefits $(000)	NPV Costs $(000)	NPV Net Benefits $(000)	B/C Ratio
Rate Impact Measure	1,116	737	379	1.51
Participant	483	474	9	1.02
Total Resource Cost	1,116	728	388	1.53

PROGRAM: **Residential Year-Round LM with Solar WH RIM**

	BENEFITS					COSTS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	REVENUE GAINS	**TOTAL BENEFITS**	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	INCENTIVE PAYMENTS	REVENUE LOSSES	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	2	0	0	0	2	0	0	0	8	12	2	22	-20
2008	8	0	7	0	16	0	0	0	18	24	7	49	-33
2009	16	1	13	0	30	0	0	0	21	25	11	57	-27
2010	21	1	19	0	40	0	0	0	24	25	16	66	-26
2011	15	1	32	0	48	0	0	0	27	26	22	75	-27
2012	32	1	31	0	64	0	0	0	30	27	27	84	-20
2013	37	2	39	0	78	0	0	0	33	28	32	93	-15
2014	59	2	78	0	138	0	0	0	36	29	37	102	37
2015	60	2	82	0	144	0	0	0	23	6	38	67	77
2016	58	2	83	0	143	0	0	0	23	6	41	69	74
2017	58	2	83	0	143	0	0	0	23	6	40	68	75
2018	59	2	88	0	149	0	0	0	23	6	40	68	80
2019	58	2	89	0	149	0	0	0	23	6	39	68	81
2020	58	2	96	0	156	0	0	0	23	6	39	67	89
2021	59	2	97	0	158	0	0	0	23	6	39	68	91
2022	60	2	98	0	160	0	0	0	23	6	40	68	92
2023	58	2	100	0	159	0	0	0	23	6	40	69	91
2024	60	2	101	0	162	0	0	0	23	6	41	69	93
2025	59	2	103	0	164	0	0	0	23	6	41	70	94
2026	60	2	106	0	168	0	0	0	23	6	42	70	98
2027	61	2	109	0	172	0	0	0	23	6	42	71	102
2028	62	2	112	0	176	0	0	0	23	6	43	71	105
2029	62	2	115	0	179	0	0	0	23	6	43	72	107
2030	62	2	118	0	182	0	0	0	23	6	44	72	110
2031	63	2	122	0	186	0	0	0	23	6	44	73	113
2032	63	2	125	0	189	0	0	0	23	6	45	73	116
2033	65	2	128	0	195	0	0	0	23	6	45	74	122
2034	67	2	132	0	200	0	0	0	23	6	46	74	126
2035	67	2	136	0	204	0	0	0	23	6	47	75	129
NOMINAL	1,463	47	2,444	0	3,955	0	0	0	672	320	1,031	2,023	1,932
NPV	438	15	663	0	1,116	0	0	0	254	167	316	737	379

Utility Discount Rate = 8.1

Benefit Cost Ratio = 1.514

PROGRAM: **Residential Year-Round LM with Solar WH Participants**

	BENEFITS				COSTS			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	SAVINGS IN PARTICIPANT'S BILL	INCENTIVE PAYMENTS	OTHER PARTICIPANT'S BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	PARTICIPANT'S BILL INCREASE	**TOTAL COSTS**	**NET BENEFITS TO PARTICIPANTS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0
2007	2	12	0	14	45	0	45	-31
2008	7	24	0	30	90	0	90	-60
2009	11	25	0	36	90	0	90	-54
2010	16	25	0	41	90	0	90	-49
2011	22	26	0	48	90	0	90	-42
2012	27	27	0	54	90	0	90	-36
2013	32	28	0	60	90	0	90	-30
2014	37	29	0	65	90	0	90	-25
2015	38	6	0	44	0	0	0	44
2016	41	6	0	47	0	0	0	47
2017	40	6	0	46	0	0	0	46
2018	40	6	0	46	0	0	0	46
2019	39	6	0	45	0	0	0	45
2020	39	6	0	45	0	0	0	45
2021	39	6	0	45	0	0	0	45
2022	40	6	0	46	0	0	0	46
2023	40	6	0	46	0	0	0	46
2024	41	6	0	47	0	0	0	47
2025	41	6	0	47	0	0	0	47
2026	42	6	0	48	0	0	0	48
2027	42	6	0	48	0	0	0	48
2028	43	6	0	49	0	0	0	49
2029	43	6	0	49	0	0	0	49
2030	44	6	0	50	0	0	0	50
2031	44	6	0	50	0	0	0	50
2032	45	6	0	51	0	0	0	51
2033	45	6	0	51	0	0	0	51
2034	46	6	0	52	0	0	0	52
2035	47	6	0	53	0	0	0	53
NOMINAL	1,031	320	0	1,351	675	0	675	676
NPV	316	167	0	483	474	0	474	9

Utility Discount Rate = 8.1

Benefit Cost Ratio = 1.019

PROGRAM: **Residential Year-Round LM with Solar WH TRC**

	BENEFITS					COSTS						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	OTHER PARTICIPANT BENEFITS	TOTAL BENEFITS	PARTICIPANT'S COST	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	TOTAL COSTS	NET BENEFITS
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0
2007	2	0	0	0	2	45	0	0	0	8	53	-51
2008	8	0	7	0	16	90	0	0	0	18	108	-92
2009	16	1	13	0	30	90	0	0	0	21	111	-82
2010	21	1	19	0	40	90	0	0	0	24	114	-74
2011	15	1	32	0	48	90	0	0	0	27	117	-69
2012	32	1	31	0	64	90	0	0	0	30	120	-56
2013	37	2	39	0	78	90	0	0	0	33	123	-45
2014	59	2	78	0	138	90	0	0	0	36	126	12
2015	60	2	82	0	144	0	0	0	0	23	23	121
2016	58	2	83	0	143	0	0	0	0	23	23	120
2017	58	2	83	0	143	0	0	0	0	23	23	121
2018	59	2	88	0	149	0	0	0	0	23	23	126
2019	58	2	89	0	149	0	0	0	0	23	23	127
2020	58	2	96	0	156	0	0	0	0	23	23	134
2021	59	2	97	0	158	0	0	0	0	23	23	136
2022	60	2	98	0	160	0	0	0	0	23	23	137
2023	58	2	100	0	159	0	0	0	0	23	23	137
2024	60	2	101	0	162	0	0	0	0	23	23	140
2025	59	2	103	0	164	0	0	0	0	23	23	141
2026	60	2	106	0	168	0	0	0	0	23	23	145
2027	61	2	109	0	172	0	0	0	0	23	23	150
2028	62	2	112	0	176	0	0	0	0	23	23	154
2029	62	2	115	0	179	0	0	0	0	23	23	156
2030	62	2	118	0	182	0	0	0	0	23	23	159
2031	63	2	122	0	186	0	0	0	0	23	23	164
2032	63	2	125	0	189	0	0	0	0	23	23	167
2033	65	2	128	0	195	0	0	0	0	23	23	173
2034	67	2	132	0	200	0	0	0	0	23	23	178
2035	67	2	136	0	204	0	0	0	0	23	23	181
NOMINAL	1,463	47	2,444	0	3,955	675	0	0	0	672	1,347	2,608
NPV	438	15	663	0	1,116	474	0	0	0	254	728	388

Utility Discount Rate = 8.1

Benefit Cost Ratio = 1.533

RESIDENTIAL YEAR ROUND ENERGY MANAGEMENT

Program Start Date: 1993
Program closed 2001
Proposed modification for 2007

Program Description

Residential Year Round Energy Management is a voluntary customer program that allows PEF to reduce peak demand and defer generation construction. Peak demand is reduced by interrupting service to selected electrical equipment with radio controlled switches installed on the customers' premises. These controlled interruptions are at PEF's option during specified time periods and coincident with hours of peak demand.

PEF has recently determined that it is currently cost-effective to add new participants to the Residential Year Round Energy Management program. As a result, PEF is proposing to reopen the year round program. This program has been closed since April 2001 and any new participants have been winter only participants. The winter-only program remains cost effective.

Re-opening the Year Round Energy Management would increase the summer and winter load control capabilities. In addition, to increase the program's winter effectiveness, a 100% strip control would be added to any new participants and existing participants requesting a change having heat pump equipment.

Projected Program Participation

Cumulative program participation estimates beginning in the year 2007 are shown in the following table, and reflect re-opening the year round program, maintaining a winter only option, 100% strip control, and increasing the net new participants.

Residential Year Round Load Management				
Year	Total Number of Customers (1)	Total Number of Eligible Customers (2)	Annual Number of Participants (3)	Cumulative Penetration Level % (4)
2007	1,446,239	1,234,991	5,000	0.40%
2008	1,472,551	1,257,459	10,000	0.80%
2009	1,498,885	1,279,947	20,000	1.56%
2010	1,524,944	1,302,199	30,000	2.30%
2011	1,550,477	1,324,003	40,000	3.02%
2012	1,575,780	1,345,610	50,000	3.72%
2013	1,600,906	1,367,066	60,000	4.39%
2014	1,625,899	1,388,408	70,000	5.04%

1. *The total number of customers in residential rate class*
2. *The total number of eligible customers in residential rate class*
3. *Net New participants of winter only or year round LM Schedule*
4. *Column 3 cumulative does not reflect participation prior to 2007*

Projected Savings

The total program savings shown in the following tables reflect the demand and energy savings associated with reopening the year round program and maintaining the current winter only program.

Year-Round Load Management - At the Meter						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	15	1.877	0.47	75,076	9,385	2,346
2008	15	1.877	0.94	150,153	18,769	7,038
2009	15	1.877	0.94	300,306	37,538	16,423
2010	15	1.877	0.94	450,459	56,307	25,808
2011	15	1.877	0.94	600,612	75,076	35,192
2012	15	1.877	0.94	750,765	93,846	44,577
2013	15	1.877	0.94	900,918	112,615	53,961
2014	15	1.877	0.94	1,051,071	131,384	63,346

Year-Round Load Management - At the Generator						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	16	2.000	0.500	80,000	10,000	2,500
2008	16	2.000	1.000	160,000	20,000	7,500
2009	16	2.000	1.000	320,000	40,000	17,500
2010	16	2.000	1.000	480,000	60,000	27,500
2011	16	2.000	1.000	640,000	80,000	37,500
2012	16	2.000	1.000	800,000	100,000	47,500
2013	16	2.000	1.000	960,000	120,000	57,500
2014	16	2.000	1.000	1,120,000	140,000	67,500

Cost Effectiveness Analysis

Year Round Energy Management				
Cost-Effectiveness Test	NPV Benefits $(000)	NPV Costs $(000)	NPV Net Benefits $(000)	B/C Ratio
Rate Impact Measure	147,032	53,946	93,086	2.73
Participant	35,102	0	35,102	N/A
Total Resource Cost	147,032	18,844	128,188	7.80

PROGRAM: **Residential LM - Year-Round RIM**

	BENEFITS					COSTS						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	REVENUE GAINS	**TOTAL BENEFITS**	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	INCENTIVE PAYMENTS	REVENUE LOSSES	**TOTAL COSTS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0
2007	7	0	0	0	7	0	0	0	1,425	315	2	1,742
2008	424	0	909	0	1,333	0	0	0	1,475	630	3	2,108
2009	875	0	1,917	0	2,792	0	0	0	2,950	1,260	3	4,213
2010	1,599	0	2,973	0	4,573	0	0	0	3,050	1,890	5	4,945
2011	422	0	5,321	0	5,743	0	0	0	3,150	2,520	6	5,676
2012	2,453	0	5,235	0	7,688	0	0	0	3,250	3,150	8	6,408
2013	3,242	0	6,661	0	9,903	0	0	0	3,350	3,780	7	7,137
2014	5,859	0	12,545	0	18,403	0	0	0	3,450	4,410	16	7,876
2015	6,145	0	13,257	0	19,402	0	0	0	700	4,410	6	5,116
2016	5,886	0	13,296	0	19,182	0	0	0	700	4,410	12	5,122
2017	5,612	0	13,421	0	19,033	0	0	0	700	4,410	24	5,134
2018	5,933	0	14,200	0	20,133	0	0	0	700	4,410	12	5,122
2019	5,698	0	14,345	0	20,043	0	0	0	700	4,410	17	5,127
2020	6,218	0	15,468	0	21,686	0	0	0	700	4,410	5	5,115
2021	6,052	0	15,651	0	21,703	0	0	0	700	4,410	8	5,118
2022	5,882	0	15,846	0	21,728	0	0	0	700	4,410	13	5,123
2023	5,711	0	16,055	0	21,766	0	0	0	700	4,410	19	5,129
2024	5,704	0	16,280	0	21,984	0	0	0	700	4,410	30	5,140
2025	5,765	0	16,682	0	22,446	0	0	0	700	4,410	30	5,140
2026	5,682	0	17,141	0	22,823	0	0	0	700	4,410	36	5,146
2027	5,787	0	17,612	0	23,399	0	0	0	700	4,410	34	5,144
2028	5,744	0	18,096	0	23,840	0	0	0	700	4,410	30	5,140
2029	5,669	0	18,594	0	24,263	0	0	0	700	4,410	38	5,148
2030	5,711	0	19,105	0	24,816	0	0	0	700	4,410	35	5,145
2031	5,662	0	19,631	0	25,293	0	0	0	700	4,410	41	5,151
2032	5,730	0	20,171	0	25,901	0	0	0	700	4,410	35	5,145
2033	5,673	0	20,725	0	26,398	0	0	0	700	4,410	41	5,151
2034	5,750	0	21,295	0	27,045	0	0	0	700	4,410	33	5,143
2035	5,634	0	21,881	0	27,515	0	0	0	700	4,410	45	5,155
NOMINAL	136,525	0	394,312	0	530,837	0	0	0	36,800	110,565	592	147,957
NPV	40,188	0	106,844	0	147,032	0	0	0	18,844	34,959	143	53,946

Utility Discount Rate = 8.1

Benefit Cost Ratio = 2.726

PROGRAM: **Residential LM - Year-Round Participant**

	BENEFITS				COSTS			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	SAVINGS IN PARTICIPANT'S BILL	INCENTIVE PAYMENTS	OTHER PARTICIPANT'S BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	PARTICIPANT'S BILL INCREASE	**TOTAL COSTS**	**NET BENEFITS TO PARTICIPANTS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0
2007	2	315	0	317	0	0	0	317
2008	3	630	0	633	0	0	0	633
2009	3	1,260	0	1,263	0	0	0	1,263
2010	5	1,890	0	1,895	0	0	0	1,895
2011	6	2,520	0	2,526	0	0	0	2,526
2012	8	3,150	0	3,158	0	0	0	3,158
2013	7	3,780	0	3,787	0	0	0	3,787
2014	16	4,410	0	4,426	0	0	0	4,426
2015	6	4,410	0	4,416	0	0	0	4,416
2016	12	4,410	0	4,422	0	0	0	4,422
2017	24	4,410	0	4,434	0	0	0	4,434
2018	12	4,410	0	4,422	0	0	0	4,422
2019	17	4,410	0	4,427	0	0	0	4,427
2020	5	4,410	0	4,415	0	0	0	4,415
2021	8	4,410	0	4,418	0	0	0	4,418
2022	13	4,410	0	4,423	0	0	0	4,423
2023	19	4,410	0	4,429	0	0	0	4,429
2024	30	4,410	0	4,440	0	0	0	4,440
2025	30	4,410	0	4,440	0	0	0	4,440
2026	36	4,410	0	4,446	0	0	0	4,446
2027	34	4,410	0	4,444	0	0	0	4,444
2028	30	4,410	0	4,440	0	0	0	4,440
2029	38	4,410	0	4,448	0	0	0	4,448
2030	35	4,410	0	4,445	0	0	0	4,445
2031	41	4,410	0	4,451	0	0	0	4,451
2032	35	4,410	0	4,445	0	0	0	4,445
2033	41	4,410	0	4,451	0	0	0	4,451
2034	33	4,410	0	4,443	0	0	0	4,443
2035	45	4,410	0	4,455	0	0	0	4,455
NOMINAL	592	110,565	0	111,157	0	0	0	111,157
NPV	143	34,959	0	35,102	0	0	0	35,102

Utility Discount Rate = 8.1

Benefit Cost Ratio = 9999

PROGRAM: **Residential LM - Year-Round TRC**

	BENEFITS					COSTS						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	OTHER PARTICIPANT BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0
2007	7	0	0	0	7	0	0	0	0	1,425	1,425	-1,418
2008	424	0	909	0	1,333	0	0	0	0	1,475	1,475	-142
2009	875	0	1,917	0	2,792	0	0	0	0	2,950	2,950	-158
2010	1,599	0	2,973	0	4,573	0	0	0	0	3,050	3,050	1,523
2011	422	0	5,321	0	5,743	0	0	0	0	3,150	3,150	2,593
2012	2,453	0	5,235	0	7,688	0	0	0	0	3,250	3,250	4,438
2013	3,242	0	6,661	0	9,903	0	0	0	0	3,350	3,350	6,553
2014	5,859	0	12,545	0	18,403	0	0	0	0	3,450	3,450	14,953
2015	6,145	0	13,257	0	19,402	0	0	0	0	700	700	18,702
2016	5,886	0	13,296	0	19,182	0	0	0	0	700	700	18,482
2017	5,612	0	13,421	0	19,033	0	0	0	0	700	700	18,333
2018	5,933	0	14,200	0	20,133	0	0	0	0	700	700	19,433
2019	5,698	0	14,345	0	20,043	0	0	0	0	700	700	19,343
2020	6,218	0	15,468	0	21,686	0	0	0	0	700	700	20,986
2021	6,052	0	15,651	0	21,703	0	0	0	0	700	700	21,003
2022	5,882	0	15,846	0	21,728	0	0	0	0	700	700	21,028
2023	5,711	0	16,055	0	21,766	0	0	0	0	700	700	21,066
2024	5,704	0	16,280	0	21,984	0	0	0	0	700	700	21,284
2025	5,765	0	16,682	0	22,446	0	0	0	0	700	700	21,746
2026	5,682	0	17,141	0	22,823	0	0	0	0	700	700	22,123
2027	5,787	0	17,612	0	23,399	0	0	0	0	700	700	22,699
2028	5,744	0	18,096	0	23,840	0	0	0	0	700	700	23,140
2029	5,669	0	18,594	0	24,263	0	0	0	0	700	700	23,563
2030	5,711	0	19,105	0	24,816	0	0	0	0	700	700	24,116
2031	5,662	0	19,631	0	25,293	0	0	0	0	700	700	24,593
2032	5,730	0	20,171	0	25,901	0	0	0	0	700	700	25,201
2033	5,673	0	20,725	0	26,398	0	0	0	0	700	700	25,698
2034	5,750	0	21,295	0	27,045	0	0	0	0	700	700	26,345
2035	5,634	0	21,881	0	27,515	0	0	0	0	700	700	26,815
NOMINAL	136,525	0	394,312	0	530,837	0	0	0	0	36,800	36,800	494,037
NPV	40,188	0	106,844	0	147,032	0	0	0	0	18,844	18,844	128,188

Utility Discount Rate = 8.1

Benefit Cost Ratio = 7.803

COMMERCIAL CONSERVATION PROGRAMS

Progress Energy Florida's DSM Plan includes three (3) commercial programs which the company seeks to modify:

A. Standby Generation – Demand control program based upon the indirect control of the customer equipment

B. Better Business – Program for existing commercial, industrial, and government customers

C. Commercial New Construction – This program fosters the design and construction of energy efficient buildings

Each program is described in detail in the following sections.

STANDBY GENERATION PROGRAM

Program Start Date: 1993
Program modified 1995
Proposed modification for 2007

Program Description

The Standby Generation program is a demand control program that will reduce PEF's demand based upon the indirect control of customer equipment. The program is a voluntary program available to all commercial and industrial customers who have on-site generation capability and are willing to reduce their PEF demand when PEF deems it necessary. The program is offered through the General Service Load Management-2 (GSLM-2) rate schedule.

PEF may have direct control of the customer equipment or will rely upon the customer to initiate the generation upon being notified by PEF and continue running it until PEF notifies the customer that the generation is no longer needed. PEF does not restrict other use of the equipment by the customer.

Standby Generation program participants will receive a monthly credit on their energy bill according to the demonstrated ability of the customer to reduce demand at PEF's request. In addition, it is proposed to add an additional credit based on the kWh the customer provides. The credits will be based upon the load served by the customer's generator, which would have been served by PEF if the Standby Generation program were not in operation. By compensating the customer for the use of their on-site generation, PEF can impact the commercial and industrial market while minimizing rate impacts. The proposed incentive will be $2.30 per kWh per month plus and additional compensation of $0.05 per kWh to support customer O & M associated with run time requested by the company.

Projected Program Participants

Stand By Generation				
Year	Total Number of Customers (1)	Total Number of Eligible Customers (2)	Annual Number of Participants	Cumulative Penetration Level %
2007	191,778	603	20	3%
2008	196,120	543	40	7%
2009	200,385	532	60	11%
2010	204,629	521	80	15%
2011	208,882	510	100	20%
2012	213,159	499	120	24%
2013	217,454	488	140	29%
2014	221,739	477	160	34%

1. *Total Number of Customers is the August 2006 forecast of all commercial and industrial customers.*
2. *The total number of eligible customers in commercial rate class*

Projected Savings

Standby Generation - At the Meter						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	3,771	471	471	75,422	9,428	9,428
2008	3,771	471	471	150,844	18,855	18,855
2009	3,771	471	471	226,266	28,283	28,283
2010	3,771	471	471	301,688	37,711	37,711
2011	3,771	471	471	377,109	47,139	47,139
2012	3,771	471	471	452,531	56,566	56,566
2013	3,771	471	471	527,953	65,994	65,994
2014	3,771	471	471	603,375	75,422	75,422

Standby Generation - At the Generator						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	4,000	500	500	80,000	10,000	10,000
2008	4,000	500	500	160,000	20,000	20,000
2009	4,000	500	500	240,000	30,000	30,000
2010	4,000	500	500	320,000	40,000	40,000
2011	4,000	500	500	400,000	50,000	50,000
2012	4,000	500	500	480,000	60,000	60,000
2013	4,000	500	500	560,000	70,000	70,000
2014	4,000	500	500	640,000	80,000	80,000

Cost Effectiveness Analysis

Standby Generation				
Cost-Effectiveness Test	NPV Benefits $(000)	NPV Costs $(000)	NPV Net Benefits $(000)	B/C Ratio
Rate Impact Measure	99,480	20,266	79,214	4.91
Participant	18,632	0	18,632	N/A
Total Resource Cost	99,480	1,634	97,846	60.88

PROGRAM: **Standby Generation RIM**

	BENEFITS					COSTS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	REVENUE GAINS	**TOTAL BENEFITS**	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	INCENTIVE PAYMENTS	REVENUE LOSSES	**TOTAL COSTS**	NET BENEFITS
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	12	0	0	0	12	0	0	0	180	281	2	463	-451
2008	812	0	1,748	0	2,560	0	0	0	190	562	2	754	1,806
2009	1,257	0	2,765	0	4,022	0	0	0	200	843	1	1,044	2,978
2010	2,049	0	3,812	0	5,861	0	0	0	210	1,124	2	1,336	4,525
2011	496	0	6,395	0	6,891	0	0	0	220	1,405	2	1,627	5,264
2012	2,826	0	6,040	0	8,866	0	0	0	230	1,686	3	1,919	6,947
2013	3,633	0	7,472	0	11,105	0	0	0	240	1,967	2	2,209	8,896
2014	3,402	0	7,239	0	10,641	0	0	0	250	2,248	4	2,502	8,139
2015	3,560	0	7,650	0	11,210	0	0	0	80	2,248	1	2,329	8,881
2016	3,417	0	7,672	0	11,089	0	0	0	80	2,248	3	2,331	8,758
2017	3,271	0	7,745	0	11,015	0	0	0	80	2,248	7	2,335	8,680
2018	3,445	0	8,194	0	11,639	0	0	0	80	2,248	4	2,332	9,308
2019	3,320	0	8,278	0	11,598	0	0	0	80	2,248	6	2,334	9,263
2020	3,603	0	8,926	0	12,529	0	0	0	80	2,248	1	2,329	10,200
2021	3,513	0	9,031	0	12,544	0	0	0	80	2,248	2	2,330	10,214
2022	3,422	0	9,144	0	12,566	0	0	0	80	2,248	5	2,333	10,233
2023	3,333	0	9,265	0	12,598	0	0	0	80	2,248	8	2,336	10,261
2024	3,439	0	9,395	0	12,834	0	0	0	80	2,248	15	2,343	10,491
2025	3,516	0	9,626	0	13,142	0	0	0	80	2,248	15	2,343	10,799
2026	3,475	0	9,891	0	13,366	0	0	0	80	2,248	19	2,347	11,019
2027	3,574	0	10,163	0	13,737	0	0	0	80	2,248	18	2,346	11,391
2028	3,500	0	10,442	0	13,942	0	0	0	80	2,248	16	2,344	11,599
2029	3,486	0	10,730	0	14,216	0	0	0	80	2,248	21	2,349	11,867
2030	3,502	0	11,025	0	14,526	0	0	0	80	2,248	18	2,346	12,180
2031	3,504	0	11,328	0	14,831	0	0	0	80	2,248	23	2,351	12,481
2032	3,523	0	11,639	0	15,162	0	0	0	80	2,248	19	2,347	12,815
2033	3,518	0	11,959	0	15,477	0	0	0	80	2,248	23	2,351	13,126
2034	3,536	0	12,288	0	15,824	0	0	0	80	2,248	18	2,346	13,479
2035	3,518	0	12,626	0	16,144	0	0	0	80	2,248	25	2,353	13,790
NOMINAL	87,457	0	242,489	0	329,946	0	0	0	3,400	57,324	284	61,008	268,938
NPV	27,682	0	71,798	0	99,480	0	0	0	1,634	18,569	62	20,266	79,214

Utility Discount Rate = 8.1

Benefit Cost Ratio = 4.909

PROGRAM: **Standby Generation Participant**

	BENEFITS				COSTS			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	SAVINGS IN PARTICIPANT'S BILL	INCENTIVE PAYMENTS	OTHER PARTICIPANT'S BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	PARTICIPANT'S BILL INCREASE	**TOTAL COSTS**	**NET BENEFITS TO PARTICIPANTS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006	0	0	0	0	0	0	0	0
2007	2	281	0	283	0	0	0	283
2008	2	562	0	564	0	0	0	564
2009	1	843	0	844	0	0	0	844
2010	2	1,124	0	1,126	0	0	0	1,126
2011	2	1,405	0	1,407	0	0	0	1,407
2012	3	1,686	0	1,689	0	0	0	1,689
2013	2	1,967	0	1,969	0	0	0	1,969
2014	4	2,248	0	2,252	0	0	0	2,252
2015	1	2,248	0	2,249	0	0	0	2,249
2016	3	2,248	0	2,251	0	0	0	2,251
2017	7	2,248	0	2,255	0	0	0	2,255
2018	4	2,248	0	2,252	0	0	0	2,252
2019	6	2,248	0	2,254	0	0	0	2,254
2020	1	2,248	0	2,249	0	0	0	2,249
2021	2	2,248	0	2,250	0	0	0	2,250
2022	5	2,248	0	2,253	0	0	0	2,253
2023	8	2,248	0	2,256	0	0	0	2,256
2024	15	2,248	0	2,263	0	0	0	2,263
2025	15	2,248	0	2,263	0	0	0	2,263
2026	19	2,248	0	2,267	0	0	0	2,267
2027	18	2,248	0	2,266	0	0	0	2,266
2028	16	2,248	0	2,264	0	0	0	2,264
2029	21	2,248	0	2,269	0	0	0	2,269
2030	18	2,248	0	2,266	0	0	0	2,266
2031	23	2,248	0	2,271	0	0	0	2,271
2032	19	2,248	0	2,267	0	0	0	2,267
2033	23	2,248	0	2,271	0	0	0	2,271
2034	18	2,248	0	2,266	0	0	0	2,266
2035	25	2,248	0	2,273	0	0	0	2,273
NOMINAL	284	57,324	0	57,608	0	0	0	57,608
NPV	62	18,569	0	18,632	0	0	0	18,632

Utility Discount Rate = 8.1

Benefit Cost Ratio = 9999

PROGRAM: **Standby Generation TRC**

	BENEFITS					COSTS						
YEAR	(1) TOTAL FUEL & O&M SAVINGS $(000)	(2) AVOIDED T&D CAP. COSTS $(000)	(3) AVOIDED GEN. CAP. COSTS $(000)	(4) OTHER PARTICIPANT BENEFITS $(000)	(5) **TOTAL BENEFITS** $(000)	(6) PARTICIPANT'S COST $(000)	(7) TOTAL FUEL & O&M INCREASE $(000)	(8) INCREASED T&D CAP. COSTS $(000)	(9) INCREASED GEN. CAP. COSTS $(000)	(10) UTILITY PROGRAM COSTS $(000)	(11) **TOTAL COSTS** $(000)	(12) **NET BENEFITS** $(000)
2006	0	0	0	0	0	0	0	0	0	0	0	0
2007	12	0	0	0	12	0	0	0	0	180	180	-169
2008	812	0	1,748	0	2,560	0	0	0	0	190	190	2,370
2009	1,257	0	2,765	0	4,022	0	0	0	0	200	200	3,822
2010	2,049	0	3,812	0	5,861	0	0	0	0	210	210	5,651
2011	496	0	6,395	0	6,891	0	0	0	0	220	220	6,671
2012	2,826	0	6,040	0	8,866	0	0	0	0	230	230	8,636
2013	3,633	0	7,472	0	11,105	0	0	0	0	240	240	10,865
2014	3,402	0	7,239	0	10,641	0	0	0	0	250	250	10,391
2015	3,560	0	7,650	0	11,210	0	0	0	0	80	80	11,130
2016	3,417	0	7,672	0	11,089	0	0	0	0	80	80	11,009
2017	3,271	0	7,745	0	11,015	0	0	0	0	80	80	10,935
2018	3,445	0	8,194	0	11,639	0	0	0	0	80	80	11,559
2019	3,320	0	8,278	0	11,598	0	0	0	0	80	80	11,518
2020	3,603	0	8,926	0	12,529	0	0	0	0	80	80	12,449
2021	3,513	0	9,031	0	12,544	0	0	0	0	80	80	12,464
2022	3,422	0	9,144	0	12,566	0	0	0	0	80	80	12,486
2023	3,333	0	9,265	0	12,598	0	0	0	0	80	80	12,518
2024	3,439	0	9,395	0	12,834	0	0	0	0	80	80	12,754
2025	3,516	0	9,626	0	13,142	0	0	0	0	80	80	13,062
2026	3,475	0	9,891	0	13,366	0	0	0	0	80	80	13,286
2027	3,574	0	10,163	0	13,737	0	0	0	0	80	80	13,657
2028	3,500	0	10,442	0	13,942	0	0	0	0	80	80	13,862
2029	3,486	0	10,730	0	14,216	0	0	0	0	80	80	14,136
2030	3,502	0	11,025	0	14,526	0	0	0	0	80	80	14,446
2031	3,504	0	11,328	0	14,831	0	0	0	0	80	80	14,751
2032	3,523	0	11,639	0	15,162	0	0	0	0	80	80	15,082
2033	3,518	0	11,959	0	15,477	0	0	0	0	80	80	15,397
2034	3,536	0	12,288	0	15,824	0	0	0	0	80	80	15,744
2035	3,518	0	12,626	0	16,144	0	0	0	0	80	80	16,064
NOMINAL	87,457	0	242,489	0	329,946	0	0	0	0	3,400	3,400	326,546
NPV	27,682	0	71,798	0	99,480	0	0	0	0	1,634	1,634	97,846

Utility Discount Rate = 8.1

Benefit Cost Ratio = 60.879

BETTER BUSINESS PROGRAM

Program Start Date: 1995
Program modified 2000, 2005
Proposed modification for 2007

Program Description
All business customers are eligible for this program. The Better Business program is the umbrella efficiency program for existing commercial, industrial, and government customers who want to retrofit with high efficiency improvements. Better Business builds on the Business Energy Check by using the audit to provide customers with information and education on energy issues and incentives on efficiency measures that are cost-effective to PEF and its customers. Participating in Business Energy Check is a prerequisite for receiving most of the incentives. Better Business promotes a number of high efficiency measures:

- heating, ventilation, air conditioning
- energy recovery ventilation
- ceiling insulation upgrade
- duct leakage test and repair
- cool roof

PEF proposes to make some changes to several existing measures and add the following measures to its previously approved program as follows:

Roof Insulation Upgrade

This measure encourages customers who have electric space heat to add insulation to the roof area by paying for a portion of the installed cost. The facility must have an existing roof insulation level less than R12 to participate and upgrade to a minimum value of R19 to receive the incentive. The incentive amount will be 7¢ per square foot of conditioned space with a maximum of $5,000 per building.

Thermal Energy Storage w/ Time-of-Use Rate

This measure will provide an incentive to encourage existing business customers to utilize thermal energy storage (TES) systems to reduce the size and cost of replacement chillers and lower energy costs. To generate maximum cost savings, customers should enter into the Time-of-Use Rate. The proposed incentive for the new measure will be up to $300 per kW of reduced cooling load at peak times.

Green Roof

This measure is designed to encourage business customers to increase the thermal efficiency of their buildings by utilizing Green Roof designs and resulting in reduced peak kW. The proposed incentive will be 25¢ per square foot over conditioned space for the installation of an approved Green Roof.

Efficient Compressed Air System

This measure will provide an incentive to encourage business customers to utilize a proactive approach to increase the efficiency of compressed air systems. Proposed incentives will be calculated based on $50 per kW reduction.

Occupancy Sensors

This measure will provide an incentive to encourage business customers to install occupancy sensors in any areas where indoor lights would be used on peak. The proposed incentive will be $50 per kW of lighting load controlled with approved controls.

Roof Top Unit Recommission

This measure will provide an incentive to encourage existing business customers to perform recommissioning to Rooftop Air Conditioning units (RTU). Recommissioning will consist of performing maintenance to assure the unit is operating at optimal efficiency. The proposed incentive for the new measure will be $15 per ton of RTU.

HVAC Steam Cleaning

This measure will provide an incentive to encourage existing business customers who utilize Packaged Terminal Air Conditioning (PTAC) and Packaged Terminal Heat Pump (PTHP) units to have the coils steam cleaned. This steam cleaning process will improve the efficiency of the HVAC equipment. The proposed incentive is $15 per unit on a one-time basis.

Efficient Indoor Lighting

This measure is intended to promote energy efficiency through the retrofit of older inefficient lamp and ballast technology in indoor lighting fixtures with more energy efficient technologies. The proposed incentives will be $50 per kW reduced.

Demand Control Ventilation

This measure will provide incentives for the installation of Demand Control Ventilation (DCV) using CO_2 sensors. DCV saves energy by automatically adjusting building ventilation rates in real time based on occupancy. This measure provides incentives of $50 per ton with properly designed and installed DCV control programming.

Efficient Motors

This measure promotes the installation of high efficiency polyphase motors through a simple incentive structure based on the motor size and a specified $/hp. The maximum incentive amount will be from $1.75 to $2.75 per hp. The specific incentive amount will be a function of the motor size and efficiency.

Window Film

Progress Energy Florida will provide customers with an incentive to install window film on new windows having east, west, and south exposures. The maximum incentive will be 75¢ per square-foot of window film installed. An exception to this limitation will be made for facilities with multiple guest rooms, such as hotels, motels, hospitals, and assisted-care living facilities, which may receive incentives up to a maximum of $55 per room.

Projected Program Participation

Better Business				
Year	Total Number of Customers (1)	Total Number of Eligible Customers	Annual Number of Participants (2)	Cumulative Penetration Level (%)
2007	191,778	171,258	957	1%
2008	196,120	175,335	1,914	1%
2009	200,385	178,114	2,892	1%
2010	204,629	181,027	3,869	2%
2011	208,882	183,832	4,847	2%
2012	213,159	186,547	5,825	3%
2013	217,454	189,202	6,782	3%
2014	221,739	191,835	7,739	3%

1. Total Number of Customers is the August 2006 forecast of all commercial and industrial customers.

2. This total is larger than the number of actual customers anticipated installing eligible measures and earning an incentive since many customers install multiple measures at one account.

Projected Savings

Total program savings were developed by first estimating the total savings for each individual measure based on each measure's (1) per customer savings and, (2) annual projected participation. The total projected program savings were then computed as the sum of the individual measure savings, and are shown in the following tables.

Better Business – At The Meter						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	12,834	4.2	6.8	12,281,969	4,035	6,551
2008	12,834	4.2	6.8	24,563,938	8,071	13,101
2009	12,781	4.2	6.9	36,959,507	12,106	19,841
2010	12,755	4.2	6.9	49,355,076	16,142	26,580
2011	12,740	4.2	6.9	61,750,645	20,177	33,319
2012	12,729	4.2	6.9	74,146,214	24,212	40,058
2013	12,744	4.2	6.9	86,428,183	28,248	46,609
2014	12,755	4.2	6.9	98,710,152	32,283	53,159

Better Business – At The Generator						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	13,719	4.5	7.3	13,129,425	4,314	7,003
2008	13,719	4.5	7.3	26,258,850	8,628	14,005
2009	13,663	4.5	7.3	39,509,713	12,942	21,209
2010	13,635	4.5	7.3	52,760,576	17,255	28,414
2011	13,619	4.4	7.3	66,011,440	21,569	35,618
2012	13,608	4.4	7.4	79,262,303	25,883	42,822
2013	13,623	4.5	7.3	92,391,728	30,197	49,825
2014	13,635	4.5	7.3	105,521,152	34,511	56,827

Cost Effectiveness Analysis

PEF has analyzed this program for cost-effectiveness using the Commission-approved tests described in Rule 25-17.008, Florida Administrative Code. The economic results of the program are as follows:

Better Business				
Cost-Effectiveness Test	NPV Benefits $(000)	NPV Costs $(000)	NPV Net Benefits $(000)	B/C Ratio
Rate Impact Measure	113,209	76,838	36,371	1.47
Participant	75,965	33,172	42,794	2.29
Total Resource Cost	113,209	34,044	79,165	3.33

PROGRAM: **Better Business Program RIM**

	BENEFITS					COSTS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	REVENUE GAINS	**TOTAL BENEFITS**	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	INCENTIVE PAYMENTS	REVENUE LOSSES	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006													
2007	1,206	137			1,343				151	1,154	930	2,235	-892
2008	2,711	274	828		3,812				151	1,154	1,859	3,164	648
2009	3,886	411	1,190		5,487				154	1,164	2,775	4,093	1,394
2010	4,425	548	1,747		6,721				154	1,164	3,757	5,075	1,646
2011	4,623	686	3,210		8,518				154	1,164	4,947	6,265	2,254
2012	6,751	823	2,626		10,200				154	1,164	6,088	7,406	2,794
2013	7,266	960	2,934		11,160				151	1,154	7,083	8,389	2,771
2014	8,106	1,097	2,823		12,025				151	1,154	8,052	9,357	2,668
2015	7,522	1,097	2,292		10,910						8,415	8,415	2,495
2016	8,019	1,097	2,729		11,845						8,644	8,644	3,201
2017	8,679	1,097	3,353		13,129						8,389	8,389	4,740
2018	8,120	1,097	3,173		12,389						8,492	8,492	3,897
2019	8,551	1,097	3,520		13,167						8,281	8,281	4,885
2020	7,600	1,097	2,940		11,636						8,120	8,120	3,517
2021	8,076	1,097	3,281		12,454						8,230	8,230	4,224
2022	8,477	1,097	3,686		13,259						8,344	8,344	4,915
2023	8,929	1,097	4,017		14,043						8,462	8,462	5,581
2024	9,285	1,097	4,257		14,639						8,583	8,583	6,056
2025	9,678	1,097	4,429		15,203						8,706	8,706	6,497
2026	9,900	1,097	4,572		15,569						8,834	8,834	6,735
2027	10,169	1,097	4,669		15,934						8,965	8,965	6,969
2028	10,251	1,097	4,801		16,149						9,100	9,100	7,049
2029	10,639	1,097	4,973		16,708						9,237	9,237	7,471
2030	10,817	1,097	5,080		16,994						9,380	9,380	7,613
2031	11,152	1,097	5,254		17,503						9,526	9,526	7,977
2032	11,323	1,097	5,367		17,786						9,675	9,675	8,111
2033	11,675	1,097	5,545		18,317						9,830	9,830	8,487
2034	11,808	1,097	5,654		18,558						9,988	9,988	8,570
2035	12,316	1,097	5,848		19,260						10,151	10,151	9,109
NOMINAL	241,956	27,966	104,797		374,718				1,220	9,273	222,846	233,338	141,380
NPV	73,919	9,059	30,231		113,209				873	6,635	69,330	76,838	36,371

Utility Discount Rate = 8.1

Benefit Cost Ratio = 1.473

PROGRAM: **Better Business Program Participant**

	BENEFITS				COSTS			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
YEAR	SAVINGS IN PARTICIPANT'S BILL $(000)	INCENTIVE PAYMENTS $(000)	OTHER PARTICIPANT'S BENEFITS $(000)	**TOTAL BENEFITS** $(000)	PARTICIPANT'S COST $(000)	PARTICIPANT'S BILL INCREASE $(000)	**TOTAL COSTS** $(000)	NET BENEFITS TO PARTICIPANTS $(000)
2006								
2007	930	1,154		2,084	5,789		5,789	-3,705
2008	1,859	1,154		3,013	5,789		5,789	-2,776
2009	2,775	1,164		3,939	5,799		5,799	-1,860
2010	3,757	1,164		4,921	5,799		5,799	-879
2011	4,947	1,164		6,111	5,799		5,799	311
2012	6,088	1,164		7,252	5,799		5,799	1,453
2013	7,083	1,154		8,238	5,789		5,789	2,449
2014	8,052	1,154		9,206	5,789		5,789	3,417
2015	8,415			8,415				8,415
2016	8,644			8,644				8,644
2017	8,389			8,389				8,389
2018	8,492			8,492				8,492
2019	8,281			8,281				8,281
2020	8,120			8,120				8,120
2021	8,230			8,230				8,230
2022	8,344			8,344				8,344
2023	8,462			8,462				8,462
2024	8,583			8,583				8,583
2025	8,706			8,706				8,706
2026	8,834			8,834				8,834
2027	8,965			8,965				8,965
2028	9,100			9,100				9,100
2029	9,237			9,237				9,237
2030	9,380			9,380				9,380
2031	9,526			9,526				9,526
2032	9,675			9,675				9,675
2033	9,830			9,830				9,830
2034	9,988			9,988				9,988
2035	10,151			10,151				10,151
NOMINAL	222,846	9,273		232,119	46,355		46,355	185,764
NPV	69,330	6,635		75,965	33,172		33,172	42,794

Utility Discount Rate = 8.1

Benefit Cost Ratio = 2.290

PROGRAM: **Better Business Program TRC**

	BENEFITS					COSTS						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	OTHER PARTICIPANT BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006												
2007	1,206	137			1,343	5,789				151	5,940	-4,597
2008	2,711	274	828		3,812	5,789				151	5,940	-2,128
2009	3,886	411	1,190		5,487	5,799				154	5,953	-466
2010	4,425	548	1,747		6,721	5,799				154	5,953	767
2011	4,623	686	3,210		8,518	5,799				154	5,953	2,565
2012	6,751	823	2,626		10,200	5,799				154	5,953	4,247
2013	7,266	960	2,934		11,160	5,789				151	5,940	5,220
2014	8,106	1,097	2,823		12,025	5,789				151	5,940	6,085
2015	7,522	1,097	2,292		10,910							10,910
2016	8,019	1,097	2,729		11,845							11,845
2017	8,679	1,097	3,353		13,129							13,129
2018	8,120	1,097	3,173		12,389							12,389
2019	8,551	1,097	3,520		13,167							13,167
2020	7,600	1,097	2,940		11,636							11,636
2021	8,076	1,097	3,281		12,454							12,454
2022	8,477	1,097	3,686		13,259							13,259
2023	8,929	1,097	4,017		14,043							14,043
2024	9,285	1,097	4,257		14,639							14,639
2025	9,678	1,097	4,429		15,203							15,203
2026	9,900	1,097	4,572		15,569							15,569
2027	10,169	1,097	4,669		15,934							15,934
2028	10,251	1,097	4,801		16,149							16,149
2029	10,639	1,097	4,973		16,708							16,708
2030	10,817	1,097	5,080		16,994							16,994
2031	11,152	1,097	5,254		17,503							17,503
2032	11,323	1,097	5,367		17,786							17,786
2033	11,675	1,097	5,545		18,317							18,317
2034	11,808	1,097	5,654		18,558							18,558
2035	12,316	1,097	5,848		19,260							19,260
NOMINAL	241,956	27,966	104,797		374,718	46,355				1,220	47,574	327,144
NPV	73,919	9,059	30,231		113,209	33,172				873	34,044	79,165

Utility Discount Rate = 8.1

Benefit Cost Ratio = 3.325

COMMERCIAL/INDUSTRIAL NEW CONSTRUCTION PROGRAM

Program Start Date: 1993
Program modified 2000, 2005
Proposed modification for 2007

Program Description

All business customers are eligible for this program. The primary goal of the PEF Commercial/Industrial (C/I) New Construction program is to foster the design and construction of energy efficient buildings. The new construction program will: 1) provide education and information to the design community on all aspects of energy efficient building design; 2) require that the building design, at a minimum surpasses the state energy code; 3) provide financial incentives for specific energy efficient equipment; and 4) provide energy design awards to building design teams. The program will simultaneously target building developers/owners and the building design community and will work one-on-one with them throughout a new construction project. PEF will also focus on developing relationships with the key decision-makers of commercial and industrial new construction projects early in the design process. This program promotes a number of high efficiency measures:

- heating, ventilation, air conditioning
- energy recovery ventilation
- cool roof

PEF proposes to make some changes to several existing measures and add the following measures to its previously approved program as follows:

Roof Insulation

This measure encourages customers whose facilities will have electric space heat to increase insulation to the roof area. The facility must increase their roof insulation level above minimum code to participate and must be planning to heat by electricity in order to receive the incentive. The customer must upgrade their roof insulation to R-19 or higher. The incentive amount will be 7¢ per square foot of conditioned space with a maximum of $5,000 per building.

Thermal Energy Storage w/ Time-of-Use Rate

This measure will provide an incentive to encourage new business customer facilities to utilize thermal energy storage (TES) systems to reduce the initial size and cost of chillers and lower energy costs. To generate maximum cost savings, customers, should enter into the Time-of-Use Rate. The proposed incentive for the new measure will be up to $300 per kW of reduced cooling load at peak times.

Green Roof

This measure is designed to encourage business customers building new facilities to increase the thermal efficiency of their buildings by utilizing Green Roof designs and resulting in reduced kW. The proposed incentive will be 25¢ per square foot over conditioned space for the installation of an approved Green Roof.

Efficient Compressed Air System

This measure will provide an incentive to encourage business customers to design a system that optimizes the energy efficiency of compressed air systems. Proposed incentives will be calculated based on $50.00 per kW reduction.

Occupancy Sensors

This measure will provide an incentive to encourage business customers to install occupancy sensors in any areas where indoor lights would be used on peak. The proposed incentive will be $50 per kW of lighting load controlled with approved controls.

Efficient Indoor Lighting

This measure is intended to promote energy efficiency through the specification of energy efficient indoor lighting technology through a range of options. The proposed incentives will be $50 per kW reduced.

Demand Control Ventilation

This measure will provide incentives for the installation of Demand Control Ventilation (DCV) using CO_2 sensors. DCV saves energy by automatically adjusting building ventilation rates in real time based on occupancy. This program provides incentives of $50 per ton with properly designed and installed DCV control programming.

Efficient Motors

This measure promotes the installation of high efficiency polyphase motors through a simple incentive structure based on the motor size and a specified $/hp. The maximum incentive amount will be from $1.75 to $2.75 per hp. The specific incentive amount will be a function of the motor size and efficiency.

Window Film

Progress Energy Florida will provide customers with an incentive to install window film on new windows having east, west, and south exposures. The maximum incentive will be 75¢ per square-foot of window film installed. An exception to this limitation will be made for facilities with multiple guest rooms, such as hotels, motels, hospitals, and assisted-care living facilities, which may receive incentives up to a maximum of $55 per room.

Projected Program Participation

Commercial New Construction				
Year	Total Number of Customers (1)	Total Number of Eligible Customers	Annual Number of Measures/ Participants (2)	Cumulative Penetration Level (%)
2007	191,778	7,671	424	4%
2008	196,120	7,845	849	8%
2009	200,385	8,015	1,273	12%
2010	204,629	8,185	1,697	16%
2011	208,882	8,355	2,121	19%
2012	213,159	8,526	2,546	23%
2013	217,454	8,698	2,970	27%
2014	221,739	8,870	3,394	30%

1. Total Number of Customers is the August 2006 forecast of all commercial and industrial customers.

2. This total is larger than the number of actual customers anticipated installing eligible measures and earning an incentive since many customers install multiple measures at one account.

Projected Savings

Total program savings were developed by first estimating the total savings for each individual measure based on each measure's (1) per customer savings and, (2) annual projected participation. The total projected program savings were then computed as the sum of the individual measure savings, and are shown in the following tables.

Commercial New Construction – At The Meter						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	14,014	5.0	7.8	5,945,289	2,136	3,301
2008	14,014	5.0	7.8	11,890,578	4,273	6,602
2009	14,014	5.0	7.8	17,835,867	6,409	9,904
2010	14,014	5.0	7.8	23,781,156	8,546	13,205
2011	14,014	5.0	7.8	29,726,445	10,682	16,506
2012	14,014	5.0	7.8	35,671,734	12,818	19,807
2013	14,014	5.0	7.8	41,617,023	14,955	23,109
2014	14,014	5.0	7.8	47,562,312	17,091	26,410

Commercial New Construction – At The Generator						
Year	Per Customer KWH Reduction	Per Customer Winter KW Reduction	Per Customer Summer KW Reduction	Total Annual KWH Reduction	Total Annual Winter KW Reduction	Total Annual Summer KW Reduction
2007	14,981	5.4	8.3	6,355,514	2,284	3,529
2008	14,981	5.4	8.3	12,711,028	4,568	7,058
2009	14,981	5.4	8.3	19,066,542	6,851	10,587
2010	14,981	5.4	8.3	25,422,056	9,135	14,116
2011	14,981	5.4	8.3	31,777,570	11,419	17,645
2012	14,981	5.4	8.3	38,133,084	13,703	21,174
2013	14,981	5.4	8.3	44,488,598	15,987	24,703
2014	14,981	5.4	8.3	50,844,112	18,270	28,232

Per measure impacts for 2007-2014, assuming no overlap.

Per measure impacts vary from year to year because of the changing mix of measures assumed to be installed in any given year.

Cost Effectiveness Analysis

PEF has analyzed this program for cost-effectiveness using the Commission-approved tests described in Rule 25-17.008, Florida Administrative Code. The economic results of the program are as follows:

Commercial New Construction				
Cost-Effectiveness Test	NPV Benefits $(000)	NPV Costs $(000)	NPV Net Benefits $(000)	B/C Ratio
Rate Impact Measure	53,743	37,659	16,084	1.43
Participant	37,212	20,357	16,855	1.83
Total Resource Cost	53,743	20,803	32,939	2.58

PROGRAM: **Commercial New Construction Program RIM**

	BENEFITS					COSTS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	REVENUE GAINS	**TOTAL BENEFITS**	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	INCENTIVE PAYMENTS	REVENUE LOSSES	**TOTAL COSTS**	NET BENEFITS
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006													
2007	582	64			645				78	677	448	1,204	-559
2008	1,305	128	394		1,827				78	677	896	1,652	175
2009	1,861	191	560		2,612				78	677	1,335	2,091	521
2010	2,126	255	830		3,210				78	677	1,806	2,562	648
2011	2,221	319	1,526		4,065				78	677	2,377	3,132	933
2012	3,239	383	1,239		4,860				78	677	2,925	3,680	1,180
2013	3,474	446	1,371		5,291				78	677	3,404	4,160	1,131
2014	3,868	510	1,288		5,666				78	677	3,871	4,627	1,039
2015	3,576	510	1,015		5,102						4,046	4,046	1,056
2016	3,824	510	1,233		5,566						4,156	4,156	1,410
2017	4,159	510	1,564		6,233						4,033	4,033	2,199
2018	3,882	510	1,462		5,854						4,083	4,083	1,771
2019	4,096	510	1,646		6,252						3,982	3,982	2,270
2020	3,625	510	1,323		5,458						3,904	3,904	1,554
2021	3,858	510	1,495		5,863						3,957	3,957	1,906
2022	4,063	510	1,715		6,288						4,012	4,012	2,276
2023	4,288	510	1,891		6,690						4,069	4,069	2,621
2024	4,463	510	2,009		6,981						4,127	4,127	2,855
2025	4,648	510	2,087		7,244						4,186	4,186	3,059
2026	4,754	510	2,151		7,414						4,247	4,247	3,167
2027	4,886	510	2,204		7,599						4,310	4,310	3,289
2028	4,926	510	2,260		7,696						4,375	4,375	3,321
2029	5,114	510	2,349		7,973						4,441	4,441	3,532
2030	5,198	510	2,397		8,105						4,510	4,510	3,596
2031	5,357	510	2,473		8,340						4,580	4,580	3,760
2032	5,441	510	2,529		8,480						4,652	4,652	3,828
2033	5,610	510	2,612		8,732						4,726	4,726	4,006
2034	5,676	510	2,664		8,850						4,802	4,802	4,047
2035	5,921	510	2,765		9,196						4,880	4,880	4,315
NOMINAL	116,035	13,006	49,051		178,092				624	5,419	107,142	113,185	64,906
NPV	35,419	4,213	14,111		53,743				447	3,878	33,334	37,659	16,084

Utility Discount Rate = 8.1

Benefit Cost Ratio = 1.427

PROGRAM: **Commercial New Construction Program Participants**

	BENEFITS				COSTS			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	SAVINGS IN PARTICIPANT'S BILL	INCENTIVE PAYMENTS	OTHER PARTICIPANT'S BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	PARTICIPANT'S BILL INCREASE	**TOTAL COSTS**	**NET BENEFITS TO PARTICIPANTS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006								
2007	448	677		1,126	3,556		3,556	-2,430
2008	896	677		1,574	3,556		3,556	-1,982
2009	1,335	677		2,013	3,556		3,556	-1,543
2010	1,806	677		2,484	3,556		3,556	-1,072
2011	2,377	677		3,054	3,556		3,556	-501
2012	2,925	677		3,602	3,556		3,556	46
2013	3,404	677		4,082	3,556		3,556	526
2014	3,871	677		4,548	3,556		3,556	993
2015	4,046			4,046				4,046
2016	4,156			4,156				4,156
2017	4,033			4,033				4,033
2018	4,083			4,083				4,083
2019	3,982			3,982				3,982
2020	3,904			3,904				3,904
2021	3,957			3,957				3,957
2022	4,012			4,012				4,012
2023	4,069			4,069				4,069
2024	4,127			4,127				4,127
2025	4,186			4,186				4,186
2026	4,247			4,247				4,247
2027	4,310			4,310				4,310
2028	4,375			4,375				4,375
2029	4,441			4,441				4,441
2030	4,510			4,510				4,510
2031	4,580			4,580				4,580
2032	4,652			4,652				4,652
2033	4,726			4,726				4,726
2034	4,802			4,802				4,802
2035	4,880			4,880				4,880
NOMINAL	107,142	5,419		112,561	28,447		28,447	84,114
NPV	33,334	3,878		37,212	20,357		20,357	16,855

Utility Discount Rate = 8.1

Benefit Cost Ratio = 1.828

PROGRAM: **Commercial New Construction Program TRC**

	BENEFITS					COSTS						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	TOTAL FUEL & O&M SAVINGS	AVOIDED T&D CAP. COSTS	AVOIDED GEN. CAP. COSTS	OTHER PARTICIPANT BENEFITS	**TOTAL BENEFITS**	PARTICIPANT'S COST	TOTAL FUEL & O&M INCREASE	INCREASED T&D CAP. COSTS	INCREASED GEN. CAP. COSTS	UTILITY PROGRAM COSTS	**TOTAL COSTS**	**NET BENEFITS**
YEAR	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)	$(000)
2006												
2007	582	64			645	3,556				78	3,634	-2,989
2008	1,305	128	394		1,827	3,556				78	3,634	-1,807
2009	1,861	191	560		2,612	3,556				78	3,634	-1,022
2010	2,126	255	830		3,210	3,556				78	3,634	-424
2011	2,221	319	1,526		4,065	3,556				78	3,634	432
2012	3,239	383	1,239		4,860	3,556				78	3,634	1,226
2013	3,474	446	1,371		5,291	3,556				78	3,634	1,657
2014	3,868	510	1,288		5,666	3,556				78	3,634	2,032
2015	3,576	510	1,015		5,102							5,102
2016	3,824	510	1,233		5,566							5,566
2017	4,159	510	1,564		6,233							6,233
2018	3,882	510	1,462		5,854							5,854
2019	4,096	510	1,646		6,252							6,252
2020	3,625	510	1,323		5,458							5,458
2021	3,858	510	1,495		5,863							5,863
2022	4,063	510	1,715		6,288							6,288
2023	4,288	510	1,891		6,690							6,690
2024	4,463	510	2,009		6,981							6,981
2025	4,648	510	2,087		7,244							7,244
2026	4,754	510	2,151		7,414							7,414
2027	4,886	510	2,204		7,599							7,599
2028	4,926	510	2,260		7,696							7,696
2029	5,114	510	2,349		7,973							7,973
2030	5,198	510	2,397		8,105							8,105
2031	5,357	510	2,473		8,340							8,340
2032	5,441	510	2,529		8,480							8,480
2033	5,610	510	2,612		8,732							8,732
2034	5,676	510	2,664		8,850							8,850
2035	5,921	510	2,765		9,196							9,196
NOMINAL	116,035	13,006	49,051		178,092	28,447				624	29,071	149,021
NPV	35,419	4,213	14,111		53,743	20,357				447	20,803	32,939

Utility Discount Rate = 8.1

Benefit Cost Ratio = 2.583

Appendix C

TARIFF REVISIONS
(CLEAN COPY)

RATE SCHEDULE RSL-1
RESIDENTIAL LOAD MANAGEMENT

Availability:

Available only within the range of the Company's Load Management System.
Available to customers whose premises have active load management devices installed prior to [date TBD].
Available to customers whose premises have load management devices installed after [date TBD] that have and are willing to submit to load control of, at a minimum, central electric cooling and heating systems.

Applicable:

To customers eligible for Residential Service under Rate Schedule RS-1 or RSS-1 having a minimum average monthly usage of 600 kWh (based on the most recent 12 months, or, where not available, a projection for 12 months), and utilizing any of the following electrical equipment:

1. Water Heater
2. Central Electric Heating System
3. Central Electric Cooling System
4. Swimming Pool Pump

Character of Service:

Continuous service, alternating current, 60 cycle, single-phase, at the Company's standard distribution secondary voltage available. Three-phase service, if available, will be supplied only under the conditions set forth in the Company's booklet "Requirements for Electric Service and Meter Installations."

Limitation of Service:

Service to the electrical equipment specified above may be interrupted at the option of the Company by means of load management devices installed on the customer's premises.

For new service requests after [date TBD] customers with a central electric heating system that is a heat pump will be installed on Interruption Schedule S. All other new service requests will be installed on Interruption Schedule B. Interruption Schedule C shall be at the option of the customer.

For new service requests after April 1, 1995, and before [date TBD], customers who select the swimming pool pump schedule must also select at least one other schedule.

An installation of an alternative thermal storage heating system under Special Provision No. 7 of this rate schedule is not available after April 1, 1995.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

Customer Charge:	$ 8.03
Energy and Demand Charges:	
Non-Fuel Energy Charges:	
First 1,000 kWh	3.315¢ per kWh
All additional kWh	4.315¢ per kWh
Plus the Cost Recovery Factors listed in Rate Schedule BA-1, *Billing Adjustments,* except the Fuel Cost Recovery Factor:	See Sheet No. 6.105 and 6.106

Additional Charges:

Fuel Cost Recovery Factor:	See Sheet No. 6.105
Gross Receipts Tax Factor:	See Sheet No. 6.106
Right-of-Way Utilization Fee:	See Sheet No. 6.106
Municipal Tax:	See Sheet No. 6.106
Sales Tax:	See Sheet No. 6.106

Load Management Monthly Credit Amounts:[1,2]

Interruptible Equipment	Interruption Schedule				
	A	B	C	D	S
Water Heater	-	-	$3.50	-	-
Central Heating System[3]	$2.00	$8.00	-	-	$8.00
Central Heating System w/Thermal Storage[3]	-	-	-	$8.00	-
Central Cooling System[4]	$1.00	$5.00	-	-	$5.00
Swimming Pool Pump	-	-	$2.50	-	-

(Continued on Page No. 2)

RATE SCHEDULE RSL-1
RESIDENTIAL LOAD MANAGEMENT
(Continued from Page No. 1)

Any customer with a heat pump not taking service under Schedule S who requests a change under this tariff will be required to take service under Schedule S.
Premises taking service under this tariff and controlled by load management devices will remain on the existing schedule until such time as the current customer affirmatively requests a change.
See also Special Provisions 10 and 11 below for further customer optional adjustments to the above credits.

Notes: (1) Load Management credits shall not exceed 40% of the Non-Fuel Energy Charge associated with kWh consumption in excess of 600 kWh per month.

(2) Premises that have load management devices installed prior to [date TBD] may remain on the existing schedule until such time as the customer requests a change under this tariff. When a change is requested, customers may take service only under Schedule B or Schedule S if the customer has a heat pump. Customers may also opt for Schedule C if taking service under another Schedule. Customers whose premises have load management devices installed after [date TBD] will be subject to the Limitations of Service above.

(3) For the billing months of November through March only.

(4) For the billing months of April through October only.

Interruption Schedules:

Schedule A	Equipment interruptions will not exceed an accumulated total of 10 minutes during any 30 minute interval within the Company's designated Peak Periods.
Schedule B	Equipment interruptions will not exceed an accumulated total of 16.5 minutes during any 30 minute interval within the Company's designated Peak Periods.
Schedule C	Equipment may be interrupted continuously, not to exceed 300 minutes, and during the Company's designated Peak Periods. Where a thermal storage system has been installed hereunder, additional interruptions to the water heater will be made during periods of charging thermal the storage system.
Schedule D	The regular heating system may be interrupted continuously and alternative heating provided by means of a thermal storage system installed hereunder.
Schedule S	Equipment interruptions will not exceed an accumulated total of 16.5 minutes during any 30 minute interval within the Company's designated Peak Periods. Heat pump back-up strip may be interrupted continuously, not to exceed 300 minutes, during the Company's designated Peak. When the heat pump back-up strip is being interrupted, the heat pump will not be interrupted.

Peak Periods:

The Peak Periods expressed in terms of prevailing clock time shall be, but are not limited to these as follows:

(1) For the calendar months of November through March, All Days: 6:00 a.m. to 11:00 a.m., and 6:00 p.m. to 10:00 p.m.

(2) For the calendar months of April through October, All Days: 1:00 p.m. to 10:00 p.m.

Terms and Conditions:

All terms and conditions of Rate Schedule RS-1, Residential Service, (i.e. Fuel Charges and other Billing Adjustments, Minimum Monthly Bill, Terms of Payment, Term of Service and Average Billing Plan), shall apply to service under this rate schedule.

(Continued on Page No. 3)

RATE SCHEDULE RSL-1
RESIDENTIAL LOAD MANAGEMENT
(Continued from Page No. 2)

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove load management devices on the electrical equipment specified above.

2. Prior to the installation of load management devices, the Company may inspect the customer's electrical equipment to ensure good repair and working condition, but the Company shall not be responsible for the repair or maintenance of the electrical equipment.

3. The Company shall not be required to install load management devices on electrical equipment which would not be economically justified for reasons, such as, excessive installation costs, insufficient load, oversized equipment or abnormal utilization of equipment, including but not limited to, vacation or other limited occupancy residences or qualifying common use facilities.

4. Multiple units of any electrical equipment specified above must all be installed with load management devices to qualify for the credit attributable to that equipment type at that premise.

5. The limitation on interruptible schedules shall not apply during critical capacity conditions on the Company's system; nor shall limitations apply at times the Company requires additional generating resources to maintain firm power sales commitments or supply emergency interchange service to another utility for its firm load obligations only. The Company may also exercise equipment interruptions at any time for purposes of testing and performance evaluation of its Load Management System.

6. If the Company determines that the load management devices have been tampered with, the Company may discontinue service under this rate schedule and bill for all prior load management credits received by the customer, unless an earlier tampering date can be established, plus applicable investigative charges.

7. An alternative thermal storage heating system is available to customers who (a) have resistance strip heating solely as their central electric heating system, (b) have adequate space and provide access for installation and maintenance of a thermal storage system, (c) have an electric water heater circuit which can be utilized for charging a thermal storage system and (d) have normal residential water heating and central heating requirements. The Company shall not be required to provide a thermal storage system where the Company deems the installation to be economically unjustified.

   For qualifying customers, the Company will install, maintain and operate a thermal storage system consisting of a thermal storage (water) tank, a pump, and a heat exchanging coil. The storage tank will be charged at the option and under the control of the Company. When this option is exercised, heating from this system will be available in place of the customer's regular heating system. During periods that the storage tank is being charged, electric service to the customer's regular water heater will be interrupted. An initial incentive payment of $50.00 shall be made to a participating customer.

8. Billing under this Rate Schedule will commence with the first complete billing period following installation of the load management devices. A customer may change interruption schedules or the selection of elelctrical equipment installed with load management devices or transfer to another rate schedule by notifying the Company forty-five days in advance. However, in the event of any revision to the interruption schedules which may affect customer, the Customer shall be allowed ninety days from the effective date of the revision to change schedules or equipment or transfer to another rate schedule.

9. If the Company determines that the effect of equipment interruptions has been offset by the customer's use of supplementary or alternative electrical equipment, or if access cannot be obtained by the Company to inspect, maintain, or remove load management devices, service under this rate schedule may be discontinued and the customer billed for all prior load management credits received over a period not in excess of six months.

10. For customers at premises taking service under Interruption Schedule B or S, and C for electric water heating, for which the premise at any time received the solar thermal water heating incentive, the monthly credit amount will be 25% of the above credit values for Interruption Schedules B, S and C, except for the pool pump. The pool pump credit amount will be at 100%.

11. A customer may elect to have all their credits contributed to the Progress Energy "Photovoltaics for Schools" green program. No partial contributions will be allowed. This program installs photovoltaic panels on schools as funds become available.

RATE SCHEDULE RSL-2
RESIDENTIAL LOAD MANAGEMENT – WINTER ONLY

Availability:

Available only within the range of the Company's Load Management System.

Applicable:

To customers eligible for Residential Service under Rate Schedule RS-1 or RSS-1 having a minimum average monthly usage of 600 kWh for the months of November through March (based on the most recent billings, where not available, a projection for those months) and utilizing **both** electric water heater and central electric heating systems.

Character of Service:

Continuous service, alternating current, 60 cycle, single-phase, at the Company's standard distribution secondary voltage available. Three-phase service, if available, will be supplied only under the conditions set forth in the Company's booklet "Requirements for Electric Service and Meter Installations."

Limitation of Service:

Service to the electrical equipment specified above may be interrupted at the option of the Company by means of load management devices installed on the customer's premises.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

Customer Charge:	$ 8.03
Energy and Demand Charges:	
Non-Fuel Energy Charges:	
First 1,000 kWh	3.315¢ per kWh
All additional kWh	4.315¢ per kWh
Plus the Cost Recovery Factors listed in Rate Schedule BA-1, *Billing Adjustments,* except the Fuel Cost Recovery Factor:	See Sheet No. 6.105 and 6.106

Additional Charges:

Fuel Cost Recovery Factor:	See Sheet No. 6.105
Gross Receipts Tax Factor:	See Sheet No. 6.106
Right-of-Way Utilization Fee:	See Sheet No. 6.106
Municipal Tax:	See Sheet No. 6.106
Sales Tax:	See Sheet No. 6.106

Load Management Credit Amount:[1]

Interruptible Equipment	Monthly Credit[2]
Water Heater and Central Heating System	$11.50

Notes: (1) Load management credit shall not exceed 40% of the Non-Fuel Energy Charge associated with kWh consumption in excess of 600 kWh/month.

(2) For billing months of November through March only.

Appliance Interruption Schedule:

Heating — Equipment interruptions will not exceed an accumulated total of 16.5 minutes during any 30 minute interval within the Company's designated Peak Periods. Heat pump back-up strip may be interrupted continuously, not to exceed 300 minutes, during the Company's designated Peak. When the heat pump back-up strip is being interrupted, the heat pump will not be interrupted.

Water Heater — Equipment may be interrupted continuously, not to exceed 300 minutes, and during the Company's designated Peak Periods.

(Continued on Page No. 2)

RATE SCHEDULE RSL-2
RESIDENTIAL LOAD MANAGEMENT – WINTER ONLY
(Continued from Page No. 1)

Peak Periods:

The Peak Periods expressed in terms of prevailing clock time shall be, but are not limited to these as follows:

(1) For the calendar months of November through March - All Days: 6:00 a.m. to 11:00 a.m., and
6:00 p.m. to 10:00 p.m.

Terms and Conditions:

All terms and conditions of Rate Schedule RS-1, Residential Service (i.e. Fuel Charges and other Billing Adjustments, Minimum Monthly Bill, Terms of Payment, Term of Service and Budget Billing Plan), shall apply to service under this rate schedule.

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove load management devices on the electrical equipment specified above.

2. Prior to the installation of load management devices, the Company may inspect the customer's electrical equipment to ensure good repair and working condition, but the Company shall not be responsible for the repair or maintenance of the electrical equipment.

3. The Company shall not be required to install load management devices on electrical equipment which would not be economically justified for reasons, such as, excessive installation costs, insufficient load, oversized equipment, or abnormal utilization of equipment, including but not limited to, vacation or other limited occupancy residences or qualifying common use facilities.

4. Multiple units of any electrical equipment specified above must all be installed with load management devices to qualify for the credit attributable to that equipment at that premise.

5. The limitation on interruptible schedules shall not apply during critical capacity conditions on the Company's system; nor shall limitations apply at times the Company requires additional generating resources to maintain firm power sales commitments or supply emergency interchange service to another utility for its firm load obligations only. The Company may also exercise equipment interruptions at any time for purposes of testing and performance evaluation of its Load Management System.

6. If the Company determines that the load management devices have been tampered with, the Company may discontinue service under this rate schedule and bill for all prior load management credits received by the customer, unless an earlier tampering date can be established, plus applicable investigative charges.

7. Billing under this Rate Schedule will commence with the first complete billing period following installation of the load management devices. A customer may transfer to another rate schedule by notifying the Company forty-five (45) days in advance. If a customer tranfers to another rate schedule they are not eligible for service under this rate schedule for 12 months from the date of transfer.

8. If the Company determines that the effect of equipment interruptions has been offset by the customer's use of supplementary or alternative electrical equipment, or if access cannot be obtained by the Company to inspect, maintain, or remove load management devices, service under this rate schedule may be discontinued and the customer billed for all prior load management credits received over a period not in excess of six (6) months.

9. A customer may elect to have all their credits contributed to the Progress Energy "Photovoltaics for Schools" green program. No partial contributions will be allowed. This program installs photovoltaic panels on schools as funds become available.

RATE SCHEDULE GSLM-1
GENERAL SERVICE - LOAD MANAGEMENT

Availability:

Available only within the range of the Company's Load Management System.

Applicable:

To customers who are eligible for service under Rate Schedules GS-1, GST-1, GSD-1, or GSDT-1, excluding those customers served under the General Service transition rates, and who elect service under this rate schedule and have electric space cooling equipment suitable for interruptible operation. Also applicable to those customers who have any of the following electrical equipment installed on permanent residential structures and utilized for domestic (household) purposes: (1) water heater(s), (2) central electric heating system(s), (3) central electric cooling system(s), and/or (4) swimming pool pump(s).

Limitation of Service:

Service to specified electrical equipment may be interrupted at the option of the Company by means of load management devices installed on the customer's premises.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

The rates and all other terms and conditions of Company Rate Schedules GS-1, GST-1, GSD-1 or GSDT-1 (whichever shall otherwise be applicable) shall be applicable to service under this rate schedule, subject to the following:

LOAD MANAGEMENT MONTHLY CREDIT AMOUNT

Interruptible Equipment	Interruption Schedule	Credit Based on Installed Capacity[1]	Applicable Billing Months
Electric Space Cooling[3]	A	$ 0.26 Per kW	April thru October
Electric Space Cooling[3]	B	$ 0.56 Per kW	April thru October
Domestically Utilized Equipment[2,3]	[Availability, Schedules and Credits of the otherwise applicable Rate Schedule RSL-1or RSL-2 shall apply]		

Notes:

(1) Credit shall not exceed 50% of the Non-Fuel Energy and Demand Charges; nor, for otherwise applicable Rate Schedule GSDT-1, shall the credit exceed the On-Peak and Base Demand Charges.

(2) Equipment includes water heaters, central heating systems, central cooling systems and swimming pool pumps when such equipment is installed on permanent residential structures and utilized for domestic purposes.

(3) Restricted to existing customers as of July 20, 2000.

Interruption Schedules:

Schedule A Interruptions will not exceed an accumulated total of 10 minutes during any 30-minute interval within the designated Peak Periods.

Schedule B Interruptions will not exceed an accumulated total of 16.5 minutes during any 30-minute interval within the designated Peak Periods.

(Continued on Page No. 2)

RATE SCHEDULE GSLM-1
GENERAL SERVICE – LOAD MANAGEMENT
(Continued from Page No. 1)

Peak Periods:

The designated Peak Periods expressed in terms of prevailing clock time shall be as follows:

(1) For the calendar months of November through March,
All Days: 6:00 a.m. to 11:00 a.m., and
6:00 p.m. to 10:00 p.m.

(2) For the calendar months of April through October,
All Days: 1:00 p.m. to 10:00 p.m.

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove load management devices on the electrical equipment specified above.

2. Prior to the installation of load management devices, the Company may inspect the customer's electrical equipment to ensure good repair and working condition, but the Company shall not be responsible for the repair or maintenance of the electrical equipment. The Company may, at its option, require a commercial energy audit as a prerequisite to receiving service under this rate. The audit may be used to establish or confirm equipment capacity, operating hours, or to determine the ability of the Company to control electric demand.

3. The Company shall not be required to install load management devices on electrical equipment, which would not be economically justified, for reasons such as excessive installation costs, oversized equipment or abnormal utilization of equipment, including operating hours which are not considered within the designated Peak Periods.

4. If the Company determines that equipment operating schedules and/or business hours have reduced the ability of the Company to control electric demand during the above designated peak periods, then service under this rate will be discontinued.

5. Where multiple units (including standby or multi-stage) of space conditioning equipment are used to heat or cool a building, all of these units must be equipped with load management devices and normally must be controlled on the same interruption cycle.

6. Billing under this rate schedule will commence with the first complete billing period following installation of the load management devices. During the first year of service, a customer may transfer to another rate schedule by notifying the Company forty-five (45) days in advance. After the first year of service, the customer may transfer to another rate schedule by notifying the Company twelve (12) months in advance. However, in the event of any revision to the interruption schedules which may affect customer, the customer shall be allowed ninety (90) days from the effective date of the revision to change schedules or equipment or transfer to another rate schedule.

7. The limitations on Interruptible Schedules shall not apply during cirtical capacity conditions on the Company's system; nor shall limitations apply at times the Company requires additional generating resources to maintain firm power sales comittments or supply emergency interchange service to another utility for its firm load obligations only. The Company may also exercise equipment interruptions at any time for purposes of testing and performance evaluation of its Load Management System.

8. If the Company determines that the load management devices have been tampered with or disconnected without notice, the Company may discontinue service under this rate schedule and bill for prior load mangement credits received by the customer, plus applicable investigative charges.

9. If the Company determines that the effect of equipment interruptions have been offset by the customer's use of supplementary or alternative electrical equipment, service under this rate schedule may be discontinued and the customer billed for all prior load management credits received over a period not in excess of six (6) months.

10. For purposes of determining eligible credits related to domestically utilized equipment, the customer shall provide the Company actual occupancy rates of permanent residential structures containing each type of equipment for the previous winter (November through March) and summer (April through October) periods. Credits for the current billing period shall apply to the number of items of each installed type of equipment multiplied by the corresponding previous seasonal period's occupancy rate.

RATE SCHEDULE GSLM-2
GENERAL SERVICE LOAD MANAGEMENT – STANDBY GENERATION

Availability:

Available only within the range of the Company's radio switch communications capability.

Applicable:

To customers who are eligible for service under Rate Schedules GS-1, GST-1, GSD-1, or GSDT-1 who have standby generation that will allow facility demand reduction at the request of the Company. The customer's Standby Generation Capacity calculation must be at lease 50 kW in order to remain eligible for the rate. Customers cannot be on this rate schedule and also the General Service Load Management (GSLM-1) rate schedule. Customers cannot use the standby generation for peak shaving.

Limitation of Service:

Operation of the customer's equipment will occur at the Company's request. Power to the facility from the Company will normally remain as back up power for the standby generation. The Customer will be given fifteen (15) minutes to initiate the demand reduction before the capacity calculation (see Definitions) is impacted.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

The rates and all other terms and conditions of Company Rate Schedules GS-1, GST-1, GSD-1 or GSDT-1 (whichever shall otherwise be applicable) shall be applicable to service under this rate schedule, subject to the following:

GSLM-2 MONTHLY CREDIT AMOUNT
STANDBY GENERATION

Credit	Cumulative Fiscal Year Hours
$2.30 x ***C*** + $0.05[1] x kWh monthly	0 ≤ CRH ≤ 200
$2.76 x ***C*** + $0.05[1] x kWh monthly	200 < CRH

Immediately upon going on the rate, the customer's Capacity (***C***) is set to a value equivalent to the load the customer's standby generator carries during testing observed by the Customer and a Company representative. The ***C*** will remain at that value until the equipment is requested to run by the Company. The ***C*** for that month and subsequent months will be a calculated value based upon the following formula:

$$C = \frac{\text{kWh annual}}{[\text{CAH} - (\#\text{ of Requests} \times 1/4\text{ hour})]}$$

Definitions:

kWh annual = Actual measured kWh generated by the standby generator during the previous twelve (12) months during Company control periods (rolling total).

CAH = Cumulative hours requested by the Company for the standby generation to operate for the previous twelve (12) months (rolling total).

CRH = Cumulative standby generator running hours during request periods of the Company for the current fiscal year (the fiscal year begins on the month the customer goes on the GSLM-2 rate).

# of Requests = The cumulative number of times the Company has requested the standby generation to be operated for the previous twelve (12) months (rolling total).

kWh monthly = Actual measured kWh generated by the standby generator for the current month during Company control periods.

[1] This $ per kWh rate represents an incentive credit to support Customer O&M associated with run time requested by the Company. PEF will periodically review this incentive rate and request changes as deemed appropriate.

(Continued on Page No. 2)

RATE SCHEDULE GSLM-2
GENERAL SERVICE LOAD MANAGEMENT – STANDBY GENERATION
(Continued from Page No. 1)

Schedules:

Requests by the Company for the customer to reduce facility demand by operation of the standby generation can occur at any time during the day. The GSLM-2 will not be operated more than twice each day with the total operation not exceeding twelve (12) hours. Under extreme emergency conditions, the Company may request the Customer to voluntarily operate their standby generation for longer than twelve (12) hours a day.

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove the equipment associated with this rate.

2. Prior to the installation of the equipment, the Company may inspect the customer's electrical equipment (including standby generator) to ensure good repair and working condition, but the Company shall not be responsible for the repair or maintenance of the electrical equipment (including standby generator). The Company may, at its option, require a commercial energy audit as a prerequisite to receiving service under this rate. The audit may be used to establish or confirm equipment capacity, operating hours, or to determine the ability of the Company to control electric demand.

3. If the Company determines that the equipment installed as part of this rate by the Company has been tampered with, the Company may discontinue service under this rate and bill the customer for prior credits received under this rate for that fiscal year.

No changes have been made to this tariff sheet

Appendix C

TARIFF REVISIONS
(LEGISLATIVE FORMAT)

RATE SCHEDULE RSL-1
RESIDENTIAL LOAD MANAGEMENT

Availability:

Available only within the range of the Company's Load Management System.
~~As of July 20, 2000, a~~Available ~~only~~ to customers whose premises have active load management devices installed prior to [date TBD].
~~As of April 1, 2001, available only to customers taking service hereunder on this date.~~Available to customers whose premises have load management devices installed after [date TBD] that have and are willing to submit to load control of, at a minimum, central electric cooling and heating systems.

Applicable:

To customers eligible for Residential Service under Rate Schedule RS-1 or RSS-1 having a minimum average monthly usage of 600 kWh (based on the most recent 12 months, or, where not available, a projection for 12 months), and utilizing any of the following electrical equipment:

1. Water Heater
2. Central Electric Heating System
3. Central Electric Cooling System
4. Swimming Pool Pump

Character of Service:

Continuous service, alternating current, 60 cycle, single-phase, at the Company's standard distribution secondary voltage available. Three-phase service, if available, will be supplied only under the conditions set forth in the Company's booklet "Requirements for Electric Service and Meter Installations."

Limitation of Service:

Service to the electrical equipment specified above may be interrupted at the option of the Company by means of load management devices installed on the customer's premises.

For new service requests after [date TBD] customers with a central electric heating system that is a heat pump will be installed on Interruption Schedule S. All other new service requests will be installed on Interruption Schedule B. Interruption Schedule C shall be at the option of the customer.

For new service requests after April 1, 1995, and before [date TBD], customers who select the swimming pool pump schedule must also select at least one other schedule.

An installation of an alternative thermal storage heating system under Special Provision No. 7 of this rate schedule is not available after April 1, 1995.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

Customer Charge:	$ 8.03
Energy and Demand Charges:	
Non-Fuel Energy Charges:	
First 1,000 kWh	3.315¢ per kWh
All additional kWh	4.315¢ per kWh
Plus the Cost Recovery Factors listed in Rate Schedule BA-1, *Billing Adjustments,* except the Fuel Cost Recovery Factor:	See Sheet No. 6.105 and 6.106

Additional Charges:

Fuel Cost Recovery Factor:	See Sheet No. 6.105
Gross Receipts Tax Factor:	See Sheet No. 6.106
Right-of-Way Utilization Fee:	See Sheet No. 6.106
Municipal Tax:	See Sheet No. 6.106
Sales Tax:	See Sheet No. 6.106

Load Management Monthly Credit Amounts:[1,2]

~~(a) Load Management Program (monthly credits)~~

Interruptible Equipment	Interruption Schedule A	B	C	D	S
Water Heater	-	-	$3.50	-	-
Central Heating System[3]	$2.00	$8.00	-	-	$8.00
Central Heating System w/Thermal Storage[3]	-	-	-	$8.00	-
Central Cooling System[4]	$1.00	$5.00	-	-	$5.00
Swimming Pool Pump	-	-	$2.50	-	-

(Continued on Page No. 2)

RATE SCHEDULE RSL-1
RESIDENTIAL LOAD MANAGEMENT
(Continued from Page No. 1)

Any customer with a heat pump not taking service under Schedule S who requests a change under this tariff will be required to take service under Schedule S.
Premises taking service under this tariff and controlled by load management devices will remain on the existing schedule until such time as the current customer affirmatively requests a change.
See also Special Provisions 10 and 11 below for further customer optional adjustments to the above credits.
~~(b) Advanced Load Management Program (per day interrupted credits)~~

~~**Interruptible Equipment**~~

~~Central Cooling System[4] = $4.50 x (% - 1)~~
~~50~~
~~Central Heating System[3] = $3.00 x (% - 1)~~
~~50~~
~~60 ≤ % ≤ 100~~
~~% = Customer selected maximum interruption %~~

Notes: (1) Load Management credits shall not exceed 40% of the Non-Fuel Energy Charge associated with kWh consumption in excess of 600 kWh/ per month.

(2) Premises that have load management devices installed prior to [date TBD] may remain on the existing schedule until such time as the customer requests a change under this tariff. When a change is requested, customers may take service only under Schedule B or Schedule S if the customer has a heat pump. Customers may also opt for Schedule C if taking service under another Schedule.~~For central heating and cooling systems, selection of Interruption Schedule A, Schedule B or Advanced Load Management is at the option of the customer.~~ Customers whose premises have load management devices installed after [date TBD] will be subject to the Limitations of Service above.

(3) For the billing months of November through March only.

(4) For the billing months of April through October only.

Interruption Schedules:

Schedule A	Equipment interruptions will not exceed an accumulated total of 10 minutes during any 30 minute interval within the Company's designated Peak Periods.
Schedule B	Equipment interruptions will not exceed an accumulated total of 16.5 minutes during any 30 minute interval within the Company's designated Peak Periods.
Schedule C	Equipment may be interrupted continuously, not to exceed 300 minutes, and during the Company's designated Peak Periods. Where a thermal storage system has been installed hereunder, additional interruptions to the water heater will be made during periods of charging thermal the storage system.
Schedule D	The regular heating system may be interrupted continuously and alternative heating provided by means of a thermal storage system installed hereunder.
Schedule S	Equipment interruptions will not exceed an accumulated total of 16.5 minutes during any 30 minute interval within the Company's designated Peak Periods. Heat pump back-up strip may be interrupted continuously, not to exceed 300 minutes, during the Company's designated Peak. When the heat pump back-up strip is being interrupted, the heat pump will not be interrupted.
~~Advanced~~	~~Under the Advanced Load Management Program, customers may select from among Company determined interruption schedules for central heating systems and/or central cooling systems ranging from 18 minutes during any 30-minute interval to 30 minutes during any 30-minute interval.~~ ~~Customers participating in the Advanced Load Management Program must also be Interruption Schedule B participants. Under the Advanced Load Management Program, customers will receive an Advanced Load Management credit for each day (midnight to midnight) in which this program is implemented. This credit will be in addition to the customer's monthly load management credits.~~

Peak Periods:

The Peak Periods expressed in terms of prevailing clock time shall be, but are not limited to these as follows:

(1) For the calendar months of November through March, All Days: 6:00 a.m. to 11:00 a.m., and 6:00 p.m. to 10:00 p.m.

(2) For the calendar months of April through October, All Days: 1:00 p.m. to 10:00 p.m.

Terms and Conditions:

All terms and conditions of Rate Schedule RS-1, Residential Service, (i.e. Fuel Charges and other Billing Adjustments, Minimum Monthly Bill, Terms of Payment, Term of Service and Average Billing Plan), shall apply to service under this rate schedule.

(Continued on Page No. 3)

RATE SCHEDULE RSL-1
RESIDENTIAL LOAD MANAGEMENT
(Continued from Page No. 2)

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove load management devices on the electrical equipment specified above.

2. Prior to the installation of load management devices, the Company may inspect the customer's electrical equipment to ensure good repair and working condition, but the Company shall not be responsible for the repair or maintenance of the electrical equipment.

3. The Company shall not be required to install load management devices on electrical equipment which would not be economically justified for reasons, such as, excessive installation costs, insufficient load, oversized ~~heating or cooling~~ equipment or abnormal utilization of equipment, including but not limited to, vacation or other limited occupancy residences or qualifying common use facilities.

4. Multiple units of any electrical equipment specified above must all be installed with load management devices to qualify for the credit attributable to that equipment type at that premise.

5. The limitation on interruptible schedules shall not apply during critical capacity conditions on the Company's system; nor shall limitations apply at times the Company requires additional generating resources to maintain firm power sales commitments or supply emergency interchange service to another utility for its firm load obligations only. The Company may also exercise equipment interruptions at any time for purposes of testing and performance evaluation of its Load Management System.

6. If the Company determines that the load management devices have been tampered with, the Company may discontinue service under this rate schedule and bill for all prior load management credits received by the customer, unless an earlier tampering date can be established, plus applicable investigative charges.

7. An alternative thermal storage heating system is available to customers who (a) have resistance strip heating solely as their central electric heating system, (b) have adequate space and provide access for installation and maintenance of a thermal storage system, (c) have an electric water heater circuit which can be utilized for charging a thermal storage system and (d) have normal residential water heating and central heating requirements. The Company shall not be required to provide a thermal storage system where the Company deems the installation to be economically unjustified.

   For qualifying customers, the Company will install, maintain and operate a thermal storage system consisting of a thermal storage (water) tank, a pump, and a heat exchanging coil. The storage tank will be charged at the option and under the control of the Company. When this option is exercised, heating from this system will be available in place of the customer's regular heating system. During periods that the storage tank is being charged, electric service to the customer's regular water heater will be interrupted. An initial incentive payment of $50.00 shall be made to a participating customer.

8. Billing under this Rate Schedule will commence with the first complete billing period following installation of the load management devices. A customer may change interruption schedules or the selection of elelctrical equipment installed with load management devices or transfer to another rate schedule by notifying the Company forty-five days in advance. However, in the event of any revision to the interruption schedules which may affect customer, the Customer shall be allowed ninety days from the effective date of the revision to change schedules or equipment or transfer to another rate schedule.

9. If the Company determines that the effect of equipment interruptions has been offset by the customer's use of supplementary or alternative electrical equipment, or if access cannot be obtained by the Company to inspect, maintain, or remove load management devices, service under this rate schedule may be discontinued and the customer billed for all prior load management credits received over a period not in excess of six months.

10. For customers at premises taking service under Interruption Schedule B or S, and C for electric water heating, for which the premise at any time received the solar thermal water heating incentive, the monthly credit amount will be 25% of the above credit values for Interruption Schedules B, S and C, except for the pool pump. The pool pump credit amount will be at 100%.

11. A customer may elect to have all their credits contributed to the Progress Energy "Photovoltaics for Schools" green program. No partial contributions will be allowed. This program installs photovoltaic panels on schools as funds become available.

RATE SCHEDULE RSL-2
RESIDENTIAL LOAD MANAGEMENT – WINTER ONLY

Availability:

Available only within the range of the Company's Load Management System.

Applicable:

To customers eligible for Residential Service under Rate Schedule RS-1 or RSS-1 having a minimum average monthly usage of 600 kWh for the months of November through March (based on the most recent billings, where not available, a projection for those months) and utilizing **both** electric water heater and central electric heating systems.

Character of Service:

Continuous service, alternating current, 60 cycle, single-phase, at the Company's standard distribution secondary voltage available. Three-phase service, if available, will be supplied only under the conditions set forth in the Company's booklet "Requirements for Electric Service and Meter Installations."

Limitation of Service:

Service to the electrical equipment specified above may be interrupted at the option of the Company by means of load management devices installed on the customer's premises.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

Customer Charge:	$ 8.03
Energy and Demand Charges:	
Non-Fuel Energy Charges:	
First 1,000 kWh	3.315¢ per kWh
All additional kWh	4.315¢ per kWh
Plus the Cost Recovery Factors listed in Rate Schedule BA-1, *Billing Adjustments,* except the Fuel Cost Recovery Factor:	See Sheet No. 6.105 and 6.106

Additional Charges:

Fuel Cost Recovery Factor:	See Sheet No. 6.105
Gross Receipts Tax Factor:	See Sheet No. 6.106
Right-of-Way Utilization Fee:	See Sheet No. 6.106
Municipal Tax:	See Sheet No. 6.106
Sales Tax:	See Sheet No. 6.106

Load Management Credit Amount:[1]

Interruptible Equipment	Monthly Credit[2]
Water Heater and Central Heating System	$11.50

Notes: (1) Load management credit shall not exceed 40% of the Non-Fuel Energy Charge associated with kWh consumption in excess of 600 kWh/month.

(2) For billing months of November through March only.

Appliance Interruption Schedule:

Heating — Equipment interruptions will not exceed an accumulated total of 16.5 minutes during any 30 minute interval within the Company's designated Peak Periods. Heat pump back-up strip may be interrupted continuously, not to exceed 300 minutes, during the Company's designated Peak. When the heat pump back-up strip is being interrupted, the heat pump will not be interrupted.

Water Heater — Equipment may be interrupted continuously, not to exceed 300 minutes, and during the Company's designated Peak Periods.

(Continued on Page No. 2)

RATE SCHEDULE RSL-2
RESIDENTIAL LOAD MANAGEMENT – WINTER ONLY
(Continued from Page No. 1)

Peak Periods:

The Peak Periods expressed in terms of prevailing clock time shall be, but are not limited to these as follows:

(1) For the calendar months of November through March - All Days: 6:00 a.m. to 11:00 a.m., and
6:00 p.m. to 10:00 p.m.

Terms and Conditions:

All terms and conditions of Rate Schedule RS-1, Residential Service (i.e. Fuel Charges and other Billing Adjustments, Minimum Monthly Bill, Terms of Payment, Term of Service and Budget Billing Plan), shall apply to service under this rate schedule.

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove load management devices on the electrical equipment specified above.

2. Prior to the installation of load management devices, the Company may inspect the customer's electrical equipment to ensure good repair and working condition, but the Company shall not be responsible for the repair or maintenance of the electrical equipment.

3. The Company shall not be required to install load management devices on electrical equipment which would not be economically justified for reasons, such as, excessive installation costs, insufficient load, oversized ~~heating or cooling~~ equipment, or abnormal utilization of equipment, including but not limited to, vacation or other limited occupancy residences or qualifying common use facilities.

4. Multiple units of any electrical equipment specified above must all be installed with load management devices to qualify for the credit attributable to that equipment at that premise.

5. The limitation on interruptible schedules shall not apply during critical capacity conditions on the Company's system; nor shall limitations apply at times the Company requires additional generating resources to maintain firm power sales commitments or supply emergency interchange service to another utility for its firm load obligations only. The Company may also exercise equipment interruptions at any time for purposes of testing and performance evaluation of its Load Management System.

6. If the Company determines that the load management devices have been tampered with, the Company may discontinue service under this rate schedule and bill for all prior load management credits received by the customer, unless an earlier tampering date can be established, plus applicable investigative charges.

7. Billing under this Rate Schedule will commence with the first complete billing period following installation of the load management devices. A customer may transfer to another rate schedule by notifying the Company forty-five (45) days in advance. If a customer tranfers to another rate schedule they are not eligible for service under this rate schedule for 12 months from the date of transfer.

8. If the Company determines that the effect of equipment interruptions has been offset by the customer's use of supplementary or alternative electrical equipment, or if access cannot be obtained by the Company to inspect, maintain, or remove load management devices, service under this rate schedule may be discontinued and the customer billed for all prior load management credits received over a period not in excess of six (6) months.

9. A customer may elect to have all their credits contributed to the Progress Energy "Photovoltaics for Schools" green program. No partial contributions will be allowed. This program installs photovoltaic panels on schools as funds become available.

RATE SCHEDULE GSLM-1
GENERAL SERVICE - LOAD MANAGEMENT

Availability:

Available only within the range of the Company's Load Management System.

Applicable:

To customers who are eligible for service under Rate Schedules GS-1, GST-1, GSD-1, or GSDT-1, excluding those customers served under the General Service transition rates, and who elect service under this rate schedule and have electric space cooling equipment suitable for interruptible operation. Also applicable to those customers who have any of the following electrical equipment installed on permanent residential structures and utilized for domestic (household) purposes: (1) water heater(s), (2) central electric heating system(s), (3) central electric cooling system(s), and/or (4) swimming pool pump(s).

Limitation of Service:

Service to specified electrical equipment may be interrupted at the option of the Company by means of load management devices installed on the customer's premises.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

The rates and all other terms and conditions of Company Rate Schedules GS-1, GST-1, GSD-1 or GSDT-1 (whichever shall otherwise be applicable) shall be applicable to service under this rate schedule, subject to the following:

LOAD MANAGEMENT MONTHLY CREDIT AMOUNT

Interruptible Equipment	Interruption Schedule	Credit Based on Installed Capacity[1]	Applicable Billing Months
Electric Space Cooling[3]	A	$ 0.26 Per kW	April thru October
Electric Space Cooling[3]	B	$ 0.56 Per kW	April thru October
Domestically Utilized Equipment[2,3]	[Availability, Schedules and Credits of the otherwise applicable Rate Schedule RSL-1or RSL-2 shall apply]		

Notes:

(1) Credit shall not exceed 50% of the Non-Fuel Energy and Demand Charges; nor, for otherwise applicable Rate Schedule GSDT-1, shall the credit exceed the On-Peak and Base Demand Charges.

(2) Equipment includes water heaters, central heating systems, central cooling systems and swimming pool pumps when such equipment is installed on permanent residential structures and utilized for domestic purposes.

(3) Restricted to existing customers as of July 20, 2000.

Interruption Schedules:

Schedule A Interruptions will not exceed an accumulated total of 10 minutes during any 30-minute interval within the designated Peak Periods.

Schedule B Interruptions will not exceed an accumulated total of 16.5 minutes during any 30-minute interval within the designated Peak Periods.

(Continued on Page No. 2)

RATE SCHEDULE GSLM-1
GENERAL SERVICE – LOAD MANAGEMENT
(Continued from Page No. 1)

Peak Periods:

The designated Peak Periods expressed in terms of prevailing clock time shall be as follows:

(1) For the calendar months of November through March,
All Days: 6:00 a.m. to 11:00 a.m., and
6:00 p.m. to 10:00 p.m.

(2) For the calendar months of April through October,
All Days: 1:00 p.m. to 10:00 p.m.

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove load management devices on the electrical equipment specified above.

2. Prior to the installation of load management devices, the Company may inspect the customer's electrical equipment to ensure good repair and working condition, but the Company shall not be responsible for the repair or maintenance of the electrical equipment. The Company may, at its option, require a commercial energy audit as a prerequisite to receiving service under this rate. The audit may be used to establish or confirm equipment capacity, operating hours, or to determine the ability of the Company to control electric demand.

3. The Company shall not be required to install load management devices on electrical equipment, which would not be economically justified, for reasons such as excessive installation costs, oversized ~~heating or cooling e~~quipment or abnormal utilization of equipment, including operating hours which are not considered within the designated Peak Periods.

4. If the Company determines that equipment operating schedules and/or business hours have reduced the ability of the Company to control electric demand during the above designated peak periods, then service under this rate will be discontinued.

5. Where multiple units (including standby or multi-stage) of space conditioning equipment are used to heat or cool a building, all of these units must be equipped with load management devices and normally must be controlled on the same interruption cycle.

6. Billing under this rate schedule will commence with the first complete billing period following installation of the load management devices. During the first year of service, a customer may transfer to another rate schedule by notifying the Company forty-five (45) days in advance. After the first year of service, the customer may transfer to another rate schedule by notifying the Company twelve (12) months in advance. However, in the event of any revision to the interruption schedules which may affect customer, the customer shall be allowed ninety (90) days from the effective date of the revision to change schedules or equipment or transfer to another rate schedule.

7. The limitations on Interruptible Schedules shall not apply during cirtical capacity conditions on the Company's system; nor shall limitations apply at times the Company requires additional generating resources to maintain firm power sales comittments or supply emergency interchange service to another utility for its firm load obligations only. The Company may also exercise equipment interruptions at any time for purposes of testing and performance evaluation of its Load Management System.

8. If the Company determines that the load management devices have been tampered with or disconnected without notice, the Company may discontinue service under this rate schedule and bill for prior load mangement credits received by the customer, plus applicable investigative charges.

9. If the Company determines that the effect of equipment interruptions have been offset by the customer's use of supplementary or alternative electrical equipment, service under this rate schedule may be discontinued and the customer billed for all prior load management credits received over a period not in excess of six (6) months.

10. For purposes of determining eligible credits related to domestically utilized equipment, the customer shall provide the Company actual occupancy rates of permanent residential structures containing each type of equipment for the previous winter (November through March) and summer (April through October) periods. Credits for the current billing period shall apply to the number of items of each installed type of equipment multiplied by the corresponding previous seasonal period's occupancy rate.

RATE SCHEDULE GSLM-2
GENERAL SERVICE LOAD MANAGEMENT – STANDBY GENERATION

Availability:

Available only within the range of the Company's radio switch communications capability.

Applicable:

To customers who are eligible for service under Rate Schedules GS-1, GST-1, GSD-1, or GSDT-1 who have standby generation that will allow facility demand reduction at the request of the Company. The customer's Standby Generation Capacity calculation must be at lease 50 kW in order to remain eligible for the rate. Customers cannot be on this rate schedule and also the General Service Load Management (GSLM-1) rate schedule. Customers cannot use the standby generation for peak shaving.

Limitation of Service:

Operation of the customer's equipment will occur at the Company's request. Power to the facility from the Company will normally remain as back up power for the standby generation. The Customer will be given fifteen (15) minutes to initiate the demand reduction before the capacity calculation (see Definitions) is impacted.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

The rates and all other terms and conditions of Company Rate Schedules GS-1, GST-1, GSD-1 or GSDT-1 (whichever shall otherwise be applicable) shall be applicable to service under this rate schedule, subject to the following:

GSLM-2 MONTHLY CREDIT AMOUNT
STANDBY GENERATION

Credit	Cumulative Fiscal Year Hours
$2.30~~10~~ x ***C*** + $0.05[1] x kWh monthly	0 ≤ CRH ≤ 200
$2.76 x ***C*** + $0.05[1] x kWh monthly	200 < CRH

Immediately upon going on the rate, the customer's Capacity (***C***) is set to a value equivalent to the load the customer's standby generator carries during testing observed by the Customer and a Company representative. The ***C*** will remain at that value until the equipment is requested to run by the Company. The ***C*** for that month and subsequent months will be a calculated value based upon the following formula:

$$C = \frac{\text{kWh annual}(\text{~~actual~~})}{[\text{CAH} - (\#\text{ of Requests} \times \tfrac{1}{4}\text{ hour})]}$$

Definitions:

kWh annual = Actual ~~M~~measured kWh generated by the standby generator during the previous twelve (12) months during Company control periods (rolling total).

CAH = Cumulative hours requested by the Company for the standby generation to operate for the previous twelve (12) months (rolling total).

CRH = Cumulative standby generator running hours during request periods of the Company for the current fiscal year (the fiscal year begins on the month the customer goes on the GSLM-2 rate).

# of Requests = The cumulative number of times the Company has requested the standby generation to be operated for the previous twelve (12) months (rolling total).

kWh monthly = Actual measured kWh generated by the standby generator for the current month during Company control periods.

[1] This $ per kWh rate represents an incentive credit to support Customer O&M associated with run time requested by the Company. PEF will periodically review this incentive rate and request changes as deemed appropriate.

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RATE SCHEDULE GSLM-2
GENERAL SERVICE LOAD MANAGEMENT – STANDBY GENERATION
(Continued from Page No. 1)

Schedules:

Requests by the Company for the customer to reduce facility demand by operation of the standby generation can occur at any time during the day. The GSLM-2 will not be operated more than twice each day with the total operation not exceeding twelve (12) hours. Under extreme emergency conditions, the Company may request the Customer to voluntarily operate their standby generation for longer than twelve (12) hours a day.

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove the equipment associated with this rate.

2. Prior to the installation of the equipment, the Company may inspect the customer's electrical equipment (including standby generator) to ensure good repair and working condition, but the Company shall not be responsible for the repair or maintenance of the electrical equipment (including standby generator). The Company may, at its option, require a commercial energy audit as a prerequisite to receiving service under this rate. The audit may be used to establish or confirm equipment capacity, operating hours, or to determine the ability of the Company to control electric demand.

3. If the Company determines that the equipment installed as part of this rate by the Company has been tampered with, the Company may discontinue service under this rate and bill the customer for prior credits received under this rate for that fiscal year.

No changes have been made to this tariff sheet