State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 08, 2006

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Economic Regulation (Colson, Brown, Dickens, Slemkewicz)
Office of the General Counsel (Fleming)

RE: Docket No. 060647-EG – Petition for approval of modifications to demand-side management programs by Progress Energy Florida, Inc.

AGENDA: 11/21/06 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: November 26, 2006 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\060647.RCM.DOC

Case Background

Progress Energy Florida, Inc.'s (PEF) current Demand Side Management (DSM) Plan is comprised of 14 individual programs, including five residential programs, seven commercial/industrial (C/I) programs, a qualifying facilities (cogeneration and small power production) program, and a research and development program.

On September 27, 2006, PEF submitted a petition to the Commission requesting approval to add two new residential conservation programs to its DSM plan, and to modify three of its residential and three of its C/I conservation programs. PEF stated in its petition that its objectives are 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 electric system. The two new

conservation programs are the Neighborhood Energy Saver and Renewable Energy programs. The three residential programs that PEF is proposing to modify are the Home Energy Improvement, Residential New Construction, and Residential Energy Management programs. The three C/I programs that PEF is proposing to modify are the Better Business, C/I New Construction and Standby Generation programs. PEF's petition for modifications also includes the tariffs and tariff revisions (see Attachment 2) that are needed to implement the proposed additions and modifications.

The Commission is vested with jurisdiction over this matter pursuant to Section 366.80 - 366.85, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve Progress Energy Florida Inc.'s (PEF) Petition for certain Demand Side Management (DSM) Program additions and modifications, including tariffs and tariff revisions, and the recovery of reasonable and prudent costs for these programs through the energy conservation cost recovery (ECCR) clause?

Recommendation: Yes. The six program modifications and the two program additions proposed by PEF are cost-effective and they are monitorable. The tariffs and tariff revisions proposed by PEF are needed to implement the Residential Year Round Energy Management and Standby Generation programs. PEF should be allowed to recover all reasonable and prudent costs through the ECCR clause for implementing these programs. The proposed two new conservation programs and six program modifications to existing programs will further help PEF achieve the numeric conservation goals set forth in Commission Order No. PSC-04-0769-PAA-EG, issued on August 9, 2004, in Docket No. 040031-EG. Within 60 days of an Order approving PEF's petition, PEF will file detail Program Standards for all new and revised DSM programs for Administrative approval by Commission's staff.

Staff Analysis: PEF's Petition lists five residential programs (three modified programs and two new programs) and three modified commercial/industrial (C/I) programs for approval as part of its DSM plan. Because of the recent increases in avoided costs (Generation, Transmission, O&M, Transmission, and Reserve Gas), these proposed program modifications and additions are cost-effective. PEF anticipates that the implementation of these proposed DSM programs will increase the penetration of demand-side management in the future. PEF has provided the cost-effectiveness analysis of each of the proposed DSM programs using the Commission's cost-effective methodology. PEF will monitor the proposed programs to evaluate the result of the energy and demand impacts and cost-effectiveness of each program. The Program descriptions, modifications or additions are discussed below.

Residential Conservation Programs

Neighborhood Energy Saver (NES) Program – A new program designed by PEF to assist low-income families with escalating energy costs. The goal of the program is to implement a comprehensive package of electric conservation measures at no cost to the customer. This program supplements PEF's existing Low-income Weatherization Assistance (LIWA) Program that consists of fifteen (15) measures and incentives. Customers who participate in the LIWA program are expected to pay some of the costs. In addition to the installation of new conservation measures, an important component of the NES program is educating families on energy efficiency techniques and the promotion of behavioral changes to help customers control their energy usage. The NES program consists of twelve (12) new measures and incentives. Participation in the program is free to eligible customers (PEF pays all of the cost to implement each measure) This program is projected to reduce consumption by approximately 31 GWH and demand by approximately 7 MW winter - 11 MW summer over the next eight years. The proposed measures are discussed in Attachment 1.

Renewable Energy Program – A new program designed to provide an incentive for renewable energy technology used in conjunction with energy management. 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. The program consists of two measures:

1. Solar Water Heater with Energy Management - PEF has decided to bundle these two programs together in order to make installations of solar water heaters cost effective. Eligible customers can enroll in either the Year Round Energy Management or Winter Only Energy Management measures and agree to have their water heater, central electric heating system and (or) central electric cooling system placed on Energy Management. PEF provides eligible customers with incentives of $450 plus a percentage of the associated Energy Management program credit (25% of water heater, central electric heating system and central electric cooling system credits). The customer can also elect to have the pool pump placed on Energy Management and receive 100% of the credit for that appliance. PEF requires that the customer stay on the tariff for a minimum of three years.

2. Solar Photovoltaics with Energy Management - PEF has decided to bundle these two programs together in order to provide a cost-effective green energy program. PEF proposes to fund this program by allowing customers participating in the Winter-Only Energy Management or Year Round Energy Management Plan to donate their monthly credits toward the Solar Photovoltaics with Energy Management Fund. Once the fund has accumulated enough credits, these credits will be used for renewable energy education (10%) and the installation of solar energy systems at schools within PEF's service territory (90%). PEF has indicated that it will record the contributed monthly credits as a deferred credit and escrow the monies collected.

This program is projected to reduced consumption by approximately .342 GWH and demand by approximately .015 MW winter - .101 MW summer over the next eight years.

Home Energy Improvement Program – An umbrella program designed to increase energy efficiency for existing residential homes by combining efficiency improvements to the thermal envelope with upgraded electric appliances. The existing Home Energy Improvement program includes incentives for six (6) measures (Duct Test, Duct Leakage Repair, Attic Insulation, High Efficiency Heat Pump Replacing Resistance Heat, High Efficiency Heat Pump Replacing Heat Pump, and Supplemental Bonuses). PEF proposes to modify this program by adding ten (10) new measures and incentives. The modified program is projected to reduce consumption by approximately 83 GWH and demand by approximately 164 MW winter - 54 MW summer over the next eight years. The proposed measures are discussed in Attachment 1.

New Construction Program - An umbrella program for 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. The existing New Construction program includes five (5) measures consisting of a free Duct Test and promotional literature, the choice to install one of two high efficiency electric heat pumps plus one of two attic insulation measures, installation of high performance windows, and qualifying the home for the EPA's Energy Star Program. According to the petition, PEF proposes to modify the program by adding

seven (7) new measures and incentives to the existing measures listed above. This program is projected to reduce consumption by approximately 52 GWH and demand by approximately 124 MW winter - 60 MW summer over the next eight years. The proposed measures are discussed in Attachment 1.

Residential Year Round Energy Management – PEF closed the Residential Year Round Energy Management in 2001 because it was no longer cost effective but continued to offer a Residential Energy Management program for the winter only. The Winter Only measure allows PEF to reduce winter peak demand and defer generation construction. Peak demand is reduced by interrupting service to selected electrical equipment (water heaters, central electric heating systems, and pool pumps) 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 winter peak demand. According to the petition, PEF has recently determined that the Residential Year Round Energy Management is currently cost-effective to add new participants. The increase in the avoided costs due to recent increases in the costs of installed generation, O&M, transmission, and reserve gas have made this measure cost effective. The proposed Year Round Energy Management program credits to interrupt service to selected electrical equipment (water heater, central electric heating system, central electric cooling system, and pool pump) of eligible customers are: $14.00 maximum for each of the five (5) winter months and $11.00 maximum for each of the seven (7) summer months. PEF will continue to offer the Winter Only measure. Eligible customers participating in the Winter Only measure will receive a maximum credit of $14.00 for each of the five (5) winter months. This program is projected to reduce consumption by approximately 1 GWH and demand by approximately 131 MW winter - 63 MW summer over the next eight years.

Commercial and Industrial Conservation Programs

Standby Generation Program – 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 of PEF's C/I customers who have on-site generation capability and are willing to reduce their demand when PEF deems it necessary. PEF proposes to modify this program by adding 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. PEF proposes to increase the present incentive from $2.10 to $2.30 per kW per month plus an additional compensation of $0.05 per kWh to support the customer's O&M associated with the run time requested by the company. This program is offered through the General Service Load Management-2 (GSLM-2) rate schedule. This program is projected to reduce consumption by approximately .603 GWH and demand by approximately 75 MW winter - 75 MW summer over the next eight years.

Better Business Program – The umbrella efficiency program for existing commercial, industrial, and government customers who want to retrofit with high efficiency improvements. The current program includes incentives for ten (10) measures (high efficient heat pumps less than or equal to 65,000 Btu/h replacing electric resistance heat, high efficient heat pumps less than or equal to 65,000 Btu/h replacing heat pumps, high efficient package terminal heat pump, high efficient unitary A/C and heat pumps greater than 65,000 Btu/h, air-cooled and water-

cooled electric chillers, cool roof, ceiling insulation upgrade, duct test, and duct repair). PEF proposes to make some changes to several existing measures and add eleven (11) new measures and incentives. This program is projected to reduce consumption by approximately 99 GWH and demand by approximately 32 MW winter - 53 MW summer over the next eight years. The proposed measures are discussed in Attachment 1.

Commercial /Industrial New Construction Program – An umbrella program designed to encourage the construction of energy efficient commercial buildings. The current program consists of six measures and incentives (high efficient heat pumps less than or equal to 65,000 Btu/h, high efficient package terminal heat pump, high efficient unitary A/C and heat pumps greater than 65,000 Btu/h, air-cooled and water-cooled electric chillers, energy recovery ventilation, and cool roof). PEF proposes to make changes to several existing measures and add nine (9) new measures and incentives. This program is projected to reduce consumption by approximately 48 GWH and demand by approximately 17 MW winter - 26 MW summer over the next eight years. The proposed measures are discussed in Attachment 1.

PEF projects that the eight (8) programs listed above (two new and six modified), that include both existing and new measures will reduce energy consumption by 314 GWH over the next eight years. PEF also projects that these programs will reduce electric demand by 551 MW winter and 344 MW summer over the next eight years.

All modified and new programs passed the rate impact measure (RIM) test and Participant test where applicable. The analyses are shown in the table below.

Cost Effectiveness Analysis

Program	Rate Impact Measure (RIM) Test	Total Resource Cost (TRC)Test	Participant Test
Home Energy Improvement	1.68	4.86	3.07
Residential New Construction	2.27	4.80	2.48
Neighborhood Energy Saver	1.14	21.40	N/A
Renewable Energy	1.51	1.53	1.02
Residential Year Round Energy Management	2.73	7.80	N/A
Dispatchable Standby	4.91	60.88	N/A
Better Business	1.47	3.33	2.29
C\I New Construction	1.43	2.58	1.83

N/A – not applicable because there is no cost to the participant

Conclusion

Staff believes that the proposed modifications explained above will cost-effectively increase the number of PEF's customers eligible to participate in these programs. PEF's proposed Attic Insulation R15 to R30 upgrade is one example. This new measure, proposed under the Home Energy Improvement program, will allow customers that have attic insulation greater that R11 but less than R16 to qualify for an attic insulation upgrade (PEF's customers that have attic insulation greater that R11 but less than R16 do not qualify under the existing Home Energy Improvement program). These modifications and new programs will also make it easier for PEF's customers to participate by increasing the number of conservation programs and measures available, and by providing additional incentives. Staff believes that the modifications to the six programs as well as the addition of two new programs should accomplish PEF's objectives to encourage participation while 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 electric system. PEF has used the Commission-approved cost-effectiveness methodologies required by Rule 25-17.008, Florida Administrative Code, and the planning assumptions in PEF's 2006 – 2015 Ten-Year Site Plan to determine the cost effectiveness of the modified and new programs.

Staff believes that the modifications and program additions will cost-effectively increase energy efficiency in homes and businesses, reduce PEF's coincident peak load, and reduce customers' energy consumption. These programs can be monitored and within 60 days of an Order approving PEF's petition, PEF will file detail Program Standards for all new and revised DSM programs for Administrative approval by Commission's staff. Therefore, staff recommends that the Commission approve PEF's Petition for the six program modifications and the two program additions listed above, and the tariffs and tariff revisions needed to implement these proposed program additions and modifications. Staff also recommends that PEF be allowed to recover all reasonable and prudent costs for these programs through the ECCR clause.

Issue 2: Should this docket be closed.

Recommendation: Yes. If Issue 1 is approved, the tariffs should become effective November 21, 2006. If a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, the docket should be closed upon the issuance of a consummating order. (Fleming)

Staff Analysis: If Issue 1 is approved, the tariffs should become effective November 21, 2006. If a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, the docket should be closed upon the issuance of a consummating order.

Attachment 1

Descriptions of Select New Programs and Modifications to Existing Programs

HOME ENERGY IMPROVEMENT PROGRAM

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 existing insulation level greater than R11 but less than R16 to increase there attic insulation to R30 by paying a portion of the installed cost. PEF's current Attic Insulation program does not allow this group of customers to participate. The incentive will be $75 per residence up to 1500 sq. ft.; an additional incentive of 7 cents 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 cents per square foot for the installation of wall insulation adjacent to conditioned space with a maximum incentive of $300 per residence. PEF's benefit/cost analyses have shown that the installation of insulation in existing homes have had more value (demand savings are higher) than in new homes.

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 seasonal energy efficiency ratio (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 as listed in the program standards.

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 cents per square foot over conditioned space with a maximum incentive of $150. PEF's benefit/cost analyses have shown that the installations of reflective roofs on existing homes have had more value (demand savings are higher) than on new homes

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.

RESIDENTIAL NEW CONSTRUCTION

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

HVA C 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.

NEIGHBORHOOD ENERGY SAVER

New program proposed by PEF.

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.

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.

BETTER BUSINESS PROGRAM

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 cents 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

A green roof – also known as a vegetated or eco-roof – is a lightweight, engineered roofing system that allows for the propagation of rooftop vegetation while protecting the integrity of the underlying roof. While conventional roof gardens rely on heavy pots and planters, green roof systems allow for much more extensive cultivation of plant life across wide expanses of a given rooftop. 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 cents 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 *C02* 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 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 cents 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.

COMMERCIAL/INDUSTRIAL NEW CONSTRUCTION PROGRAM

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 cents 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

A green roof – also known as a vegetated or eco-roof – is a lightweight, engineered roofing system that allows for the propagation of rooftop vegetation while protecting the integrity of the underlying roof. While conventional roof gardens rely on heavy pots and planters, green roof systems allow for much more extensive cultivation of plant life across wide expanses of a given rooftop. 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 cents 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 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 CO2 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

PEF 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 cents 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.

Attachment 2

Tariff Revisions

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)

ISSUED BY: Lori J. Cross, Manager, Utility Regulatory Planning

EFFECTIVE:

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.

Progress Energy

SECTION NO. VI
SIXTH REVISED SHEET NO. 6.135
CANCELS FIFTH REVISED SHEET NO. 6.135

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:

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

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