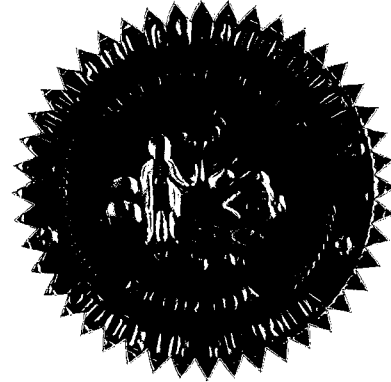


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060647-EG

In the Matter of:

PETITION FOR APPROVAL OF MODIFICATIONS
TO DEMAND-SIDE MANAGEMENT PROGRAMS BY
PROGRESS ENERGY FLORIDA, INC.



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PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 11

BEFORE: CHAIRMAN LISA POLAK EDGAR
COMMISSIONER J. TERRY DEASON
COMMISSIONER ISILIO ARRIAGA
COMMISSIONER MATTHEW M. CARTER, II
COMMISSIONER KATRINA J. TEW

DATE: Tuesday, November 21, 2006

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, CRR, RPR
Official Commission Reporter
(850) 413-6734

1 PARTICIPATING:

2 JOHN T. BURNETT, ESQUIRE, and JOHN MASIELLO,
3 representing Progress Energy Florida, Inc.

4 KATHERINE FLEMING, ESQUIRE, FPSC General Counsel's
5 Office, representing the Florida Public Service Commission
6 Staff.

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CHAIRMAN EDGAR: And that will bring us to Issue 11.
We have an oral modification from our staff.

MS. FLEMING: Good morning, Commissioners.
Item 11 is Progress's petition for approval of modifications to
its DSM programs. Staff's oral modification is on Issue 2 on
Page 8. The tariff effective date reflected in the
recommendation and staff analysis should be changed to
August 31st, 2007. There are no other changes, and staff is
available to answer any questions you may have.

COMMISSIONER CARTER: Madam Chair?

CHAIRMAN EDGAR: Commissioner Carter.

COMMISSIONER CARTER: Ask now or do you want to hear
from me?

CHAIRMAN EDGAR: You can ask a question now.

COMMISSIONER CARTER: Thank you. Thank you, Madam
Chair.

I was just curious about what's the basis for
changing the date?

MS. FLEMING: Commissioner, I believe the utility is
here and they could answer that question for you.

CHAIRMAN EDGAR: Okay. And we will direct that
question to the Progress representative. You're recognized.

MR. BURNETT: Thank you very much. Good morning,
Commissioners. John Burnett on behalf of Progress Energy

1 Florida. I have with me John Masiello.

2 Commissioner, the basis for the change is originally
3 when we submitted the tariffs we left the effective date open.
4 Staff put in the most recent possible effective date of
5 November 21st. We worked with staff to try to get a
6 modification on that for two reasons. Number one, there will
7 be some substantial computer programming needed to implement
8 the year-round load management program, as well as some
9 logistical ramp up for that. So we needed some time after the
10 Commission voted up or down on that to determine -- if the
11 Commission votes up and approves the modifications, then we'd
12 need that lead time.

13 There's also a pending docket with our RS1 tariff.
14 And the programming that we'll need to do to implement the two
15 tariff changes with this docket are somewhat interdependent on
16 how that comes out at the Commission as well. So we wanted to
17 factor in enough time to let that docket proceed, have a
18 ruling, and then enough time to get the programming and the
19 logistics done. Ultimately we thought August 1st would be a
20 safe date to have all that done.

21 COMMISSIONER CARTER: What is the impact of this date
22 change on the, on the consumers?

23 MR. BURNETT: Commissioner, I don't think in any --
24 again, there are about 14 programs at issue here that the
25 Commission is going to vote on. There would be one, and

1 subject to Mr. Masiello correcting me if I'm wrong here, this
2 is the one program that will actually have a tariff impact.
3 And the actual programming and logistics, there would be no
4 real impact on the consumers other than the time at which the
5 enhanced summer program on load management would be available.

6 COMMISSIONER CARTER: Madam Chairman.

7 CHAIRMAN EDGAR: Commissioner Carter.

8 COMMISSIONER CARTER: Same question, what is the
9 impact on the consumers?

10 MR. MASIELLO: Commissioner, there are two aspects in
11 the filing that I want to keep in consideration. One is the
12 tariff, which is the energy management program. The other is
13 the energy efficiency programs that we have. And the energy
14 efficiency programs, as you can see, are pretty extensive.

15 The way we can program the two aspects of this is
16 that we suspect we can get the energy efficiency programs out
17 much sooner, perhaps sometime in April. So the actual impact
18 is pretty much what we would have projected: Sometime, a
19 launch within the first or beginning of second quarter. What
20 would be delayed is just the tariff component, which is that
21 energy management program. And what we feel is the first year,
22 our projected numbers would be impacted by probably 25 percent
23 because we have projected a roll out of somewhere at the end of
24 the first quarter, beginning of second quarter, which we could
25 then make up in the second year. So the total impact in the

1 second year will be, will be made up for getting a late start.

2 CHAIRMAN EDGAR: Commissioners, any further
3 questions? No?

4 COMMISSIONER DEASON: I move staff's recommendation.

5 COMMISSIONER CARTER: Second.

6 CHAIRMAN EDGAR: We have a motion and a second. All
7 in favor, say aye.

8 (Unanimous affirmative vote.)

9 Opposed? Show the motion adopted. Thank you.

10 (Agenda Item 11 concluded.)

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1 STATE OF FLORIDA)
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 2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

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I, LINDA BOLES, CRR, RPR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 22nd DAY OF NOVEMBER, 2006.

Linda Boles
 LINDA BOLES, CRR, RPR
 FPSC Official Commission Reporter
 (850) 413-6734