

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy Florida
for approval of modifications to its Business
Energy Check Program.

Docket No. 080080 - EG

Filing date: February 4, 2008

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COMMISSION
CLERK

PETITION

Progress Energy Florida, Inc. (PEF) pursuant to Rule 25-17.015(4), F.A.C., hereby petitions the Florida Public Service Commission (the Commission) for approval of modifications to its Business Energy Check Demand-Side Management (DSM) program 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 program.

Approval of the proposed program modification will help further the objectives for 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 (2007); Rule 25-17.001(2), Florida Administrative Code (2007). 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 modified DSM program, but also all other customers on PEF's system. See Rule 25-17.001(3), Florida Administrative Code. In order that customers may receive the conservation benefits in the near term, PEF respectfully requests expedited consideration and approval of these proposed DSM program modifications. In support of this petition PEF states:

- CMP _____
- COM _____
- CTR _____
- ECR 1
- GCL 1
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC _____
- Other 1

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1. PEF is a public utility subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, Florida Statutes. The Company's principal place of business is located at 299 1st Ave N, St. Petersburg, Florida 33701.

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

John T. Burnett
Associate General Counsel
Progress Energy Service Co., LLC
299 1st Ave N
St. Petersburg, FL 33701-3324

Paul Lewis, Jr.
Director, Regulatory Affairs
Progress Energy
106 East College Ave., Suite 800
Tallahassee, FL. 32301

3. PEF is subject to FEECA, Sections 366.80-366.85 and 403.519, Florida Statutes (2007), 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 program modifications and is entitled to seek recovery of associated expenditures. PEF has a substantial interest in whether the Commission approves PEF's requested modifications and authorized cost recovery for plan implementation expenditures.

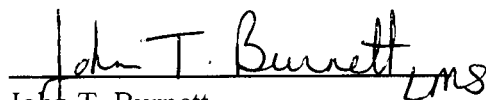
4. By Order No. PSC-04-0769-PAA-EG, issued August 9, 2004 in Docket No. 040031-EG, the Commission approved the Company's DSM Plan for meeting its conservation goals established in the docket. The Plan consisted of a portfolio of individual DSM programs which included the Business Energy Check Program. Changing conditions and new information available to PEF since this program was

approved have led the Company to develop the modifications proposed by this petition as a means to increase participation.

5. The principal modification to the Business Energy Check Program is the addition of a new option to enhance participation levels. The recent emphasis and importance of enhancing the efficiency of both existing and new facilities has led to an increased awareness/demand for "green" building emphasis and recognition. The addition of the proposed green registered project audit to the Business Energy Check Paid Walk-Through Audit encourages customers to seek to meet green building requirement standards for energy efficiency for existing or new construction projects. The audit increases awareness and participation levels in Company programs, and will help customers qualify for green certification. To encourage certification, a portion of the registration and certification costs are compensated for projects that have an audit and utilize Company measures in the project to obtain the certification. Participation Standards for the proposed changes to the Business Energy Check are attached as Exhibit A.

WHEREFORE, PEF respectfully requests that the Commission grant this petition and approve the proposed modifications to its DSM program as reflected in Exhibit B to this petition, as well as the Tariff revisions reflected in Exhibit C. Additionally, PEF seeks to recover through its ECCR clause reasonable and prudent expenditures associated with the implementation of the proposed program modifications.

Respectfully submitted,


John T. Burnett

Fla. Bar No. 173304
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519
Attorney for Progress Energy Florida, Inc.

COMPOSITE EXHIBIT A

**Proposed Modifications to PEF Demand-Side
Management Program Business Energy Check**

(Legislative version)

DOCUMENT NUMBER-DATE

00880 FEB-4 8

FPSC-COMMISSION CLERK

A. BUSINESS ENERGY CHECK PROGRAM

Program Start Date: ▶ 1995

- Proposed modification for 2008

Policies and Procedures

The Business Energy Check is Progress Energy Florida's (PEF) energy audit program. It provides commercial and industrial (C/I) customers with an assessment of the current energy usage at their facility and information on low-cost energy efficiency measures. This program serves as the foundation for PEF's other DSM programs targeted toward existing C/I construction and, in most cases, it is a prerequisite for participation in the other C/I programs.

The Business Energy Check consists of the following types of audits:

Type 1: Free On-site Walk-Through Audit (Inspection)

Type 2: Paid Walk-Through Audit (Energy Analysis)

In the case of a green registered project audit, such as United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) or Florida Green Building Coalition (FGBC), the customer contacts the Company for an audit or consultation. This is managed by the Company representative and the LEED Administrator or Manager, or FGBC equivalent. The audit results including what Company measures contribute to the projects certification shall be reported to the owner and design team. There is no fee charged for the green registered project audit.

Type 3: On-line Business Energy Check (A Customer-completed Internet audit)

All commercial, industrial, and governmental retail customers of PEF are eligible to have either type conducted on any of their buildings located in PEF's service territory. There is no charge for Type 1 or Type 3 audits, while there is a nominal customer charge for the Type 2 energy analysis. When a customer requests a Business Energy Check, they will be given the option of scheduling a Type 1 inspection or a Type 2 energy analysis, and will be informed of the On-line audit option. The specific details on the procedures for each type of audit will be presented in the Program Participation Standards.

Program Participation

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

Year	Total Number of Customers[1]	Total Number of Eligible Customers	Annual Number of On-site Audit Participants	Annual Number of On-line Audit Participants	Cumulative Penetration Level (%)
2005	184,973	166,476	1,500	150	1%
2006	188,338	169,504	3,000	300	2%
2007	191,917	172,725	4,500	450	3%
2008	195,622	176,060	6,000	600	4%
2009	199,361	179,425	7,500	750	5%
2010	203,048	182,743	9,000	900	5%
2011	206,613	185,952	10,500	1,050	6%
2012	210,080	189,072	12,000	1,200	7%
2013	213,480	192,132	13,500	1,350	8%
2,014	216,855	195,170	15,000	1,500	8%

1. Total Number of Customers is the April 2004 forecast of all commercial and industrial customers.

Savings Estimates

The total program savings were developed based on historical PEF audits and a review of C/I audit impacts. These estimates include impacts directly resulting from the standard audit recommendations, including the installation of low-cost energy efficiency measures. In addition, customer-specific savings may result from site-specific recommendations that the auditor makes at the time of the audit, but which are not included in the standard audit form. These impacts will be calculated on a case-by-case basis and added to the standard impacts. The total program savings are shown in the following tables.

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
2005	291	0.136	0.136	480,000	225	225
2006	291	0.136	0.136	960,000	450	450
2007	291	0.136	0.136	1,440,000	675	675
2008	291	0.136	0.136	1,920,000	900	900
2009	291	0.136	0.136	2,400,000	1,125	1,125
2010	291	0.136	0.136	2,920,000	1,369	1,369
2011	290	0.136	0.136	3,440,000	1,613	1,613

2012	290	0.136	0.136	3,960,000	1,857	1,857
2013	290	0.136	0.136	4,480,000	2,101	2,101
2014	290	0.136	0.136	5,000,000	2,345	2,345

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
2005	311	0.1457	0.1457	512,914	240	240
2006	311	0.1457	0.1457	1,025,828	481	481
2007	311	0.1457	0.1457	1,538,742	721	721
2008	311	0.1457	0.1457	2,051,656	962	962
2009	311	0.1457	0.1457	2,564,570	1,202	1,202
2010	310	0.1456	0.1456	3,120,227	1,463	1,463
2011	310	0.1455	0.1455	3,675,884	1,724	1,724
2012	310	0.1454	0.1454	4,231,541	1,984	1,984
2013	310	0.1453	0.1453	4,787,197	2,245	2,245
2014	310	0.1453	0.1453	5,342,854	2,506	2,506

COMPOSITE EXHIBIT A

**Proposed Modifications to PEF Demand-Side
Management Program Business Energy Check**

(Clean Copy)

A. BUSINESS ENERGY CHECK PROGRAM

- Program Start Date:**
- ▶ 1995
 - Proposed modification for 2008

Policies and Procedures

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COMPOSITE EXHIBIT B

**Participation Standards for Proposed Business Energy
Check Modifications**

(Legislative version)

PROGRESS ENERGY FLORIDA, INC.

PROGRAM PARTICIPATION STANDARDS

BUSINESS ENERGY CHECK PROGRAM

1. PROGRAM OVERVIEW

The Business Energy Check Program is an energy audit program that provides business customers with information about their energy use after information about their facility is gathered. The program provides recommendations on how customers can improve the energy efficiency of their facilities. It serves as the foundation for participation in other commercial and industrial DSM programs.

The Business Energy Check Program consists of the following types of energy audits:

- Type 1: Free Walk-Through Audit

The walk-through audit is an on-site energy evaluation conducted by an PEF representative and is provided at no charge to the customer. Recommendations are made to the customer, which may include operational changes or equipment modifications. The auditor provides information about other PEF programs that are designed to assist the customer in improving the energy efficiency of the facility.

- Type 2: Paid Walk-Through Audit

The paid audit is a more detailed energy use evaluation that requires more data collection and analysis. A fee is charged to the customer for the paid walk-through audit, unless it has qualified as a green registered project audit. ~~this service.~~ For a paid audit, in addition to the items mentioned for the free walk-through audit, the auditor focuses on more in-depth information such as operating, maintenance, and load characteristics. An analysis on the building is performed and a written report is presented to the participant.

In the case of a green registered project audit, such as United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) or Florida Green Building Coalition (FGBC), the customer contacts the Company for an audit or consultation. This is managed by the Company representative and the LEED Administrator or Manager, or FGBC equivalent. The audit results, including what Company measures contribute to the project's certification, shall be reported to the owner and design team. There is no fee charged for the green registered project audit.

- Type 3: Online Business Energy Check (Internet Option)

A customer-completed audit is available at www.progress-energy.com/bec. Information is gathered on the business type, lighting systems, air conditioning, water heating, and other end uses. A custom report is generated with energy efficiency practices and recommendations for each area of energy use.

2. ELIGIBILITY REQUIREMENTS

1. The customer must be a business customer located in PEF's service territory and served by a metered PEF account.

3. PARTICIPATION REQUIREMENTS

1. Customers may not have more than one audit completed within a two-year period. However, a customer may participate in any of the audit types within this time frame. PEF reserves the right to update audits and schedule field visits on a per need basis.
2. For Type 1 and Type 2 audits, participant must allow an PEF representative onto the premises to perform the audit.
3. Participants in the Type 2 audit must pay a nominal fee for this service as follows:
 - Customers whose average monthly consumption is 10,000 kWh or less: \$35.
 - Customers whose average monthly consumption is over 10,000 kWh: \$3.50 per 1,000 kWh up to \$4,000 maximum.

4. INCENTIVES

Type 1 audit: There are no incentives associated with the Level 1 audit.

Type 2 audit: If the participant implements any or all of the recommended measures within one year of audit completion, the total audit cost would not exceed \$35.

In the case of a green registered project audit, such as LEED, FGBC, or other approved organization certified project, once the participant achieves certification and qualifies for at least one measure, as noted during the audit or consultation, they are eligible to receive a reimbursement. A facility is eligible one time for this incentive. It shall not exceed 50% of the cost of the project's registration and certification fees

or exceed \$9,000. Fees for Credit Interpretation Rulings, Appeals, Expedited Review or other incidental or optional costs will not be included in the incentive calculation. This does not exclude the facility or project from being eligible to receive incentives for other Company measures installed either as part of the project or in the future.

5. REPORTING REQUIREMENTS

The reporting requirements for this program will follow Rule 25-17.0021(5), Florida Administrative Code.

COMPOSITE EXHIBIT B

**Participation Standards for Proposed Business Energy
Check Modifications**

(Clean copy)

PROGRESS ENERGY FLORIDA, INC.

PROGRAM PARTICIPATION STANDARDS

BUSINESS ENERGY CHECK PROGRAM

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2. ELIGIBILITY REQUIREMENTS

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3. Participants in the Type 2 audit must pay a nominal fee for this service as follows:
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or exceed \$9,000. Fees for Credit Interpretation Rulings, Appeals, Expedited Review or other incidental or optional costs will not be included in the incentive calculation. This does not exclude the facility or project from being eligible to receive incentives for other Company measures installed either as part of the project or in the future.

5. REPORTING REQUIREMENTS

The reporting requirements for this program will follow Rule 25-17.0021(5), Florida Administrative Code.

COMPOSITE EXHIBIT C

Tariff Sheet 2.4

(Legislative version)

NON-RESIDENTIAL ENERGY AUDIT

Upon request, the Company will perform an energy analysis of a non-residential customer's facilities and give the customer a written report of the findings and any recommendations for improvements that can be made to save energy and/or demand. This report will show the estimated annual savings based on implementation of these recommendations.

The schedule of fees is as follows:

<u>AVERAGE MONTHLY ENERGY USE</u>	<u>AUDIT FEE*</u>
0 - 10,000 KWH	\$35.00
Over 10,000 KWH	\$35.00 + \$0.0035/KWH

***NOTES:**

(1) Fee amount shall be rounded to the nearest dollar.

~~(2) Fee amount shall not exceed \$4,000.~~

~~(2)~~ (3) If any or all audit recommendations are implemented, the audit fee, less \$35, is refundable to the customer for implementation costs incurred; however, the refund amount cannot exceed customer's implementation costs.