Progress Energy

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January 31, 2013

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

RE: **SCPSC Docket No. 2011-181-E**

Dear Mrs. Boyd:

Pursuant to the Commission's Order issued September 2, 2011 in Docket No. 2011-181-E, Progress Energy Carolinas, Inc. ("PEC") submits its quarterly report pertaining to Rider DSM/EE-4 and its EM&V schedule for Demand Side Management/Energy Efficiency ("DSM/EE") programs. The schedules accompanying this submission, for the quarter ending December 31, 2012, are as follows:

Attachment 1 – Amounts billed under Rider DSM/EE-4 during the reporting period accompanied by estimates of gross receipts taxes and South Carolina Regulatory Fees;

Attachment 2 – DSM/EE program energy and capacity savings achieved through the end of the reporting period;

Attachment 3 – PEC's anticipated DSM/EE program EM&V schedule; and

Attachment 4 – PEC System O&M and A&G expenses and amounts allocated to South Carolina.

**Progress Energy Service Company, LLC**
P. O. Box 1551
Raleigh, NC 27602

PEC will continue to submit this report to both the Commission and the Office of Regulatory Staff on a quarterly basis until further order of the Commission.

Please contact me if you have any questions.

Sincerely,

Timika Shafeek-Horton

TSH/gw
Attachments
cc: Courtney Edwards, ORS
John Flitter, Director of Electric and Gas Regulation

Attachment 1

# Rider DSM/EE-4 Quarterly Billings

for the Quarter Ending December 31, 2012

**A. Amounts Net of GRT & SC Reg Fee**

| Rate Class | KWH | DSM | DSDR | EE | Total Recovery |
|---|---|---|---|---|---|
| Residential | 484,733,015 | $ 293,320.19 | $ 680,887.75 | $ 1,127,119.49 | $ 2,101,327.43 |
| Res RECD *(reflected above)* | - | - | - | - | - |
| Net Residential | 484,733,015 | $ 293,320.19 | $ 680,887.75 | $ 1,127,119.49 | $ 2,101,327.43 |
| | | | | | |
| Small General Service | 66,278,919 | $ 4,308.50 | $ 57,670.05 | $ 85,185.09 | $ 147,163.64 |
| Medium General Svc | 400,654,578 | 26,043.66 | 348,591.57 | 514,890.23 | 889,525.46 |
| Large General Service | 451,464,711 | 29,345.21 | 392,774.30 | 580,132.15 | 1,002,251.66 |
| **Less:** Opt-Outs | (534,789,266) | (34,761.31) | (465,266.66) | (687,204.21) | (1,187,232.18) |
| Net General Service | 383,608,942 | $ 24,936.06 | $ 333,769.26 | $ 493,003.26 | $ 851,708.58 |
| | | | | | |
| Lighting | 23,307,292 | $ - | $ - | $ - | $ - |
| **Less:** Opt-Outs | (901,764) | - | - | - | - |
| Net Lighting | 22,405,528 | $ - | $ - | $ - | $ - |
| Total | 890,747,485 | $ 318,256.25 | $ 1,014,657.01 | $ 1,620,122.75 | $ 2,953,036.01 |

**B. GRT & SC Reg Fee**

| | |
|---|---|
| Estimated Gross Receipts Tax @ 0.30 percent | $ 8,885.77 |
| Estimated SC Regulatory Fee @ 0.153694 percent | 4,545.63 |
| Total GRT and Regulatory Fee | $ 13,431.40 |

**C. Estimated DSM/EE Billings** *(Sections A + B)* $ 2,966,467.41

# Progress Energy Carolinas, Inc.
## DSM / EE Program Savings
*December 31, 2012*

| | Year to Date | | | Cumulative Since Program Inception | | |
|---|---|---|---|---|---|---|
| | No. of Premises | kWh Savings | kW Savings | No. of Premises | kWh Savings | kW Savings |
| **EnergyWise™** | | | | | | |
| AC Direct Load Control | 11,734 | NA | 14,089 | 87,496 | NA | 105,879 |
| HP Strip Heater Direct Load Control | 433 | NA | 433 | 2,648 | NA | 2,648 |
| Water Heater Direct Load Control | 682 | NA | 547 | 4,157 | NA | 3,326 |
| EnergyWise™ Total | 12,849 | NA | 15,068 | 94,301 | NA | 111,853 |
| **CIG Demand Response** | 9 | NA | 2,375 | 38 | NA | 15,927 |
| 1. *Amounts reflect contracted values.* | | | | | | |
| **Residential Home Advantage** | | | | | | |
| ENERGY STAR | 1,485 | 2,694,600 | 828 | 4,626 | 8,361,000 | 2,568 |
| Heat Pump | 795 | 210,350 | 101 | 2,718 | 721,608 | 348 |
| Central AC | 40 | 5,829 | 6 | 117 | 16,403 | 17 |
| Geothermal Heat Pump | 20 | 17,556 | 4 | 75 | 65,835 | 13 |
| Residential Home Advantage Total | 2,340 | 2,928,335 | 939 | 7,536 | 9,164,845 | 2,947 |
| 1. *Amounts reflect net M&V based values.* | | | | | | |
| **Residential Home Energy Improvement** | | | | | | |
| ASHP HVAC Replacement | 4,382 | 1,166,994 | 1,323 | 19,767 | 6,878,729 | 6,695 |
| Furnace/AC HVAC Replacement | 1,576 | 318,590 | 486 | 6,975 | 1,621,760 | 2,394 |
| Geothermal HVAC Replacement | 84 | 120,750 | 48 | 322 | 475,945 | 193 |
| Duct Testing/Repair | 3,139 | 599,207 | 412 | 10,184 | 2,629,003 | 1,490 |
| HVAC Level I Tune Up | 537 | 51,165 | 48 | 18,361 | 3,190,096 | 2,984 |
| Insulation/Air Sealing | 1,904 | 930,345 | 433 | 3,649 | 1,637,493 | 808 |
| Window Replacement | 1,214 | 466,763 | 434 | 10,590 | 4,698,267 | 3,487 |
| Room Air Conditioner | 326 | 40,300 | 32 | 326 | 40,300 | 32 |
| Heat Pump Water Heater | 98 | 230,800 | 40 | 98 | 230,800 | 40 |
| HVAC Level 2 Tune Up | 8,082 | 2,259,948 | 1,942 | 8,793 | 2,514,924 | 2,145 |
| Residential HEIP Total | 21,342 | 6,184,861 | 5,198 | 79,065 | 23,917,316 | 20,268 |
| 1. *Amounts reflect net EM&V based values.* | | | | | | |
| **Residential Low Income - NES** | 4,645 | 3,763,260 | 550 | 14,786 | 12,038,774 | 1,770 |
| 1. *Amounts reflect net EM&V based values.* | | | | | | |
| **Residential Lighting Program** | 3,152,588 * | 96,634,999 | 13,005 | 9,674,781 * | 293,795,562 | 39,387 |
| * *Values expressed in incentivized bulbs* | | | | | | |
| **Residential Appliance Recycling** | 8,212 | 5,994,876 | 682 | 21,809 | 15,929,224 | 1,838 |
| **Residential Energy Efficiency Benchmarking** | 44,673 | 12,866,112 | 2,310 | 44,673 | 12,866,112 | 2,310 |
| 1. *Change in annual pilot program participation level.* | | | | | | |
| **CIG Energy Efficiency** | | | | | | |
| Prescriptive Lighting | 795 | 34,721,141 | 6,887 | 1,988 | 119,543,572 | 26,831 |
| Prescriptive HVAC | 99 | 1,189,840 | 371 | 228 | 2,664,365 | 888 |
| Prescriptive Motor | 4 | 13,677 | 1 | 8 | 16,858 | 1 |
| Prescriptive Refrigeration | 37 | 866,718 | 54 | 76 | 1,656,846 | 104 |
| Custom Measure | 225 | 12,926,495 | 4,078 | 488 | 31,116,924 | 6,642 |
| Technical Assistance | 11 | NA | NA | 57 | NA | NA |
| CIG Energy Efficiency Total | 1,171 | 49,717,870 | 11,392 | 2,845 | 154,998,565 | 34,466 |
| 1. *Amounts reflect net EM&V based values.* | | | | | | |
| **Residential Solar Water Heating Pilot** | - | - | - | 150 | 31,250 | 30 |
| **Residential CFL Pilot Program** *(inactive)* | - | - | - | 203,222 | 6,706,000 | 630 |
| 1. *Amounts reflect final net, post EM&V, values.* | | | | | | |
| **Summary Totals** | 3,247,829 | 178,090,314 | 51,518 | 10,143,206 | 529,447,648 | 231,424 |

***Please Note:*** *The values included above, except where noted, represent estimated net savings. The reported net savings reflect ongoing annual reductions resulting from the installation of DSM/EE measures during the reporting periods. These amounts have been reduced to account for the impact of anticipated net to gross relationships. Subsequent reports will replace estimated savings with verified values, adjusted for appropriate net to gross ratios, as determined through the Evaluation, Measurement, and Verification (EM&V) process.*

Attachment 3

## PEC DSM/EE Programs - Anticipated EM&V Schedule (South Carolina)

As of December 31, 2012

| TIMEFRAME | Program Name | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Home Energy Improvement Program (Docket 2009-190-E) HEIP | Energy Efficiency for Business (Docket 2009-190-E) Anticipated | Home Advantage (Docket 2009-190-E) HA | Appliance Recycling Program (Docket 2010-41-E) ARP | Commercial Demand Response (Docket 2010-41-E) CIG DR | Res Lighting (Docket 2010-41-E) RLP | EnergyWise (Docket 2009-190-E) EW | Neighborhood Energy Saver (Docket 2009-190-E) NES | Residential Energy Efficiency Benchmarking (Docket 2011-180-E) REEB | Residential Prepay Pilot (d) (Docket 2009-190-E) RP | Residential New Construction (Docket 2012-234-E) RNC | Small Business Energy Saver (Docket 2012-234-E) SBES | Distribution System Demand Response (Docket 2009-190-E) DSDR |
| **2013** | | | | | | | | | | | | | |
| 1st Quarter | IMP | IMP | | REP(2011) | PROC / IMP | | IMP | REP(2011) | REP(a) | | | | |
| 2nd Quarter | PROC | PROC | | PROC / IMP | REP(2012) | REP(2012) | | PROC / IMP | PROC | | | | |
| 3rd Quarter | REP(2012) | REP(2012) | REP(2012 & 2013) | | | | REP(b) | REP(2012) | IMP | | | | IMP |
| 4th Quarter | | | | REP(2012) | | | | | REP(c) | | | | REP(2013) |

| LEGEND | |
|---|---|
| PROC | Process surveys/interviews (customers or other) for purposes of report that follows |
| IMP | Impact data collection (onsites, billing data) and analysis for purposes of report that follows |
| REP | M&V Report |

*(a) 12 months ending June 2012*
*(b) Summer 2012 and Winter 2012/13*
*(c) 12 months ending June 2013*

*NOTE: THESE DATES ARE SUBJECT TO CHANGE*

# South Carolina Retail - DSM/EE Cost Summary

## Q3 of Test Period

*October 2012 through December 2012*

SOUTH CAROLINA JURISDICTIONALLY ALLOCATED RETAIL COSTS ONLY

| | | | O&M (1) | Insurance (2) | A&G Expense (3) | Capitalized O&M and A&G (4) ΣCols(1)thru(3) | Amortization of Capitalized O&M ((1)+(2))/10 | Amortization of Capitalized A&G (3)/10 | DSDR Capital Costs (7) | Income Taxes on DSDR Capital Costs (8) | DSDR Property Taxes (9) | DSDR Depreciation (10) | Carrying Costs Net of Taxes (11) | Income Taxes on Carrying Cost (12) | Rev Reqmt Before PPI & NLR (13) ΣCols(5)thru(12) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **SC DSM Program Expenses** | | | | | | | | | | | | | | |
| 1 | CIG DR | *Per Books* | $ 20,669 | | $ - | $ 20,669 | $ 2,067 | $ - | | | | | $ - | $ - | $ 2,067 |
| 2 | EnergyWise | *Per Books* | 238,203 | | - | 238,203 | 23,820 | - | | | | | - | - | 23,820 |
| 3 | Total DSM | *Σ Lines thru 2* | $ 258,872 | | $ - | $ 258,872 | $ 25,887 | $ - | | | | | $ - | $ - | $ 25,887 |
| 4 | DSM Assigned to A&G Cost | *Per Books* | | | 14,862 | 14,862 | - | $ 1,486 | | | | | 70,113 | 27,426 | 99,025 |
| 5 | Total DSM and Assigned Cost | *Σ Lines 3 thru 4* | $ 258,872 | | $ 14,862 | $ 273,734 | $ 25,887 | $ 1,486 | | | | | $ 70,113 | $ 27,426 | $ 124,912 |
| | **SC EE Program Expenses** | | | | | | | | | | | | | | |
| 6 | Res Home Advantage | *Per Books* | $ 15,975 | | $ - | $ 15,975 | $ 1,598 | $ - | | | | | $ - | $ - | $ 1,598 |
| 7 | Res Home Energy Improvem't | *Per Books* | 149,429 | | - | 149,429 | $ 14,943 | - | | | | | - | - | 14,943 |
| 8 | Residential Low Income | *Per Books* | 64,293 | | - | 64,293 | $ 6,429 | - | | | | | - | - | 6,429 |
| 9 | CIG Energy Efficiency | *Per Books* | 251,676 | | - | 251,676 | $ 25,168 | - | | | | | - | - | 25,168 |
| 10 | Solar Hot Water Pilot | *Per Books* | - | | - | - | $ - | - | | | | | - | - | - |
| 11 | Residential Lighting* | *Per Books* | 301,393 | | - | 301,393 | $ 60,279 | - | | | | | - | - | 60,279 |
| 12 | Res Appliance Recycling | *Per Books* | 40,815 | | - | 40,815 | $ 4,082 | - | | | | | - | - | 4,082 |
| 13 | EE Behavior Program* | *Per Books* | 27,195 | | | 27,195 | $ 27,195 | - | | | | | - | - | 27,195 |
| 14 | Home Depot CFL | *Per Books* | - | | | - | $ - | - | | | | | | | |
| 15 | Small Business Direct Install | *Per Books* | 5,876 | | | 5,876 | $ 588 | | | | | | | | 588 |
| 16 | Residential New Construction | *Per Books* | 8,587 | | - | 8,587 | $ 859 | - | | | | | - | - | 859 |
| 17 | Total EE | *Σ Lines 6 thru 16* | $ 865,239 | | $ - | $ 865,239 | $ 141,141 | $ - | | | | | $ - | $ - | $ 141,141 |
| 18 | EE Assigned to A&G Cost | *Per Books* | | | 48,757 | 48,757 | - | 4,876 | | | | | 151,645 | 59,317 | 215,838 |
| 19 | Total DSM and Assigned Cost | *Σ Lines 17 thru 18* | $ 865,239 | | $ 48,757 | $ 913,996 | $ 141,141 | $ 4,876 | | | | | $ 151,645 | $ 59,317 | $ 356,979 |
| | **SC DSDR Program Expenses** | | | | | | | | | | | | | | |
| 20 | DSDR Program | *Per Books* | $ 170,218 | $ 33,791 | $ - | $ 204,009 | $ 20,401 | $ - | $ 389,197 | $ 195,339 | $ 62,086 | $ 308,331 | $ 45,828 | $ 17,926 | $ 1,039,108 |
| 21 | DSDR Assigned to A&G Cost | *Per Books* | | | | - | | - | | | | | | | $ - |
| 22 | Total DSM and Assigned Cost | *Σ Lines 20 thru 21* | $ 170,218 | $ 33,791 | $ - | $ 204,009 | $ 20,401 | $ - | $ 389,197 | $ 195,339 | $ 62,086 | $ 308,331 | $ 45,828 | $ 17,926 | $ 1,039,108 |
| 23 | Test Period Totals | *Lines 5 + 19 + 22* | $ 1,294,329 | $ 33,791 | $ 63,619 | $ 1,391,739 | $ 187,429 | $ 6,362 | $ 389,197 | $ 195,339 | $ 62,086 | $ 308,331 | $ 267,586 | $ 104,669 | $ 1,520,999 |

**EE Deferral Calculation**
**Cost summary for 10/12-12/12**

| 5/12-4/13 | SC |
|---|---|
| DSM | 0.1337 |
| DSDR | 0.1337 |
| EE | 0.1408 |

| | Oct-12 | Nov-12 | Dec-12 | Q42012 |
|---|---|---|---|---|
| **EE Current Period Actual Program Cost Deferral:** | | | | |
| Program O&M Costs | | | | |
| CIG Energy Efficiency | 824,233.15 | 334,465.31 | 628,775.96 | 1,787,474.42 |
| Home Depot CFL | - | | - | - |
| EE Behavior Program | 167,337.73 | 4,825.44 | 20,985.29 | 193,148.46 |
| Residential Home Advantage | 49,979.03 | 27,780.25 | 35,697.56 | 113,456.84 |
| Residential Home Energy Improvement (Ph.II) | 401,736.96 | 609,196.49 | 50,354.65 | 1,061,288.10 |
| Residential Low Income / PHA (Ph.II) | 141,311.36 | 148,178.51 | 167,138.90 | 456,628.77 |
| Residential Lighting (5 years) | 645,298.13 | 862,201.22 | 633,077.70 | 2,140,577.05 |
| Solar Hot Water Pilot | - | | - | - |
| Appliance Recycle | 105,518.65 | 120,405.61 | 63,951.86 | 289,876.12 |
| Small Business Direct Install | 11,905.64 | 19,469.91 | 10,360.96 | 41,736.51 |
| Residential New Construction | 24,040.53 | 13,998.26 | 22,946.62 | 60,985.41 |
| Total EE O&M | 2,371,361.18 | 2,140,521.00 | 1,633,289.50 | 6,145,171.68 |
| G&A | 185,326.26 | 97,837.09 | 63,122.63 | 346,285.98 |
| True-up Entry Amount, if any (See **True-up Notes) | | | | - |
| Subtotal Deferred G&A and O&M | 2,556,687.44 | 2,238,358.09 | 1,696,412.13 | **6,491,457.66** |

| | Oct-12 | Nov-12 | Dec-12 | |
|---|---|---|---|---|
| **SC** | | | | |
| Program Costs | | | | |
| CIG Energy Efficiency | 116,052.03 | 47,092.72 | 88,531.66 | 251,676.41 |
| Home Depot CFL | - | - | - | - |
| EE Behavior Program | 23,561.15 | 679.42 | 2,954.73 | 27,195.30 |
| Residential Home Advantage | 7,037.05 | 3,911.46 | 5,026.22 | 15,974.73 |
| Residential Home Energy Improvement (Ph.II) | 56,564.56 | 85,774.87 | 7,089.93 | 149,429.36 |
| Residential Low Income / PHA (Ph.II) | 19,896.64 | 20,863.53 | 23,533.16 | 64,293.33 |
| Residential Lighting (5 years) | 90,857.98 | 121,397.93 | 89,137.34 | 301,393.25 |
| Solar Hot Water Pilot | - | - | - | - |
| Appliance Recycle | 14,857.03 | 16,953.11 | 9,004.42 | 40,814.56 |
| Small Business Direct Install | 1,676.31 | 2,741.36 | 1,458.82 | 5,876.49 |
| Residential New Construction | 3,384.91 | 1,970.96 | 3,230.88 | 8,586.75 |
| Total EE O&M | 333,887.66 | 301,385.36 | 229,967.16 | 865,240.18 |
| G&A | 26,093.94 | 13,775.46 | 8,887.67 | 48,757.07 |
| True-up Entry Amount, if any (See **True-up Notes) | | | | - |
| Subtotal Deferred O&M and G&A | 359,981.60 | 315,160.82 | 238,854.83 | **913,997.25** |

**DSM Deferral Calculation**
**Cost summary for 10/12-12/12**

| 5/12-4/13 | SC |
|---|---|
| DSM | 0.1337 |
| DSDR | 0.1337 |
| EE | 0.1408 |

| | Oct-12 | Nov-12 | Dec-12 | | Q4 2012 |
|---|---|---|---|---|---|
| **DSM Current Period Actual Program Cost Deferral:** | | | | | |
| Program Costs | | | | | |
| CIG Demand Response (Ph. II) | 58,558 | 43,937 | 52,100.18 | | 154,595.18 |
| Residential Energy Wise | 622,958 | 646,884 | 511,783.75 | | 1,781,626.21 |
| Total DSM O&M | 681,516.47 | 690,820.99 | 563,883.93 | - | 1,936,221.39 |
| G&A | 59,490.46 | 31,406.09 | 20,262.61 | | 111,159.16 |
| True-up Entry Amount, if any (See **True-up Notes) | | | | | - |
| Subtotal Deferred G&A and O&M | 741,006.93 | 722,227.08 | 584,146.54 | - | 2,047,380.55 |
| **SC:** | | | | | |
| Program Costs | | | | | |
| CIG Demand Response (Ph. II) | 7,829.24 | 5,874.34 | 6,965.79 | - | 20,669.37 |
| Residential Energy Wise | 83,289.51 | 86,488.42 | 68,425.49 | - | 238,203.42 |
| Total DSM O&M | 91,118.75 | 92,362.76 | 75,391.28 | - | 258,872.79 |
| G&A | 7,953.87 | 4,198.99 | 2,709.11 | - | 14,861.97 |
| True-up Entry Amount, if any (See **True-up Notes) | | | | | - |
| Subtotal Deferred O&M and G&A | 99,072.62 | 96,561.75 | 78,100.39 | - | 273,734.76 |

**DSDR Deferral Calculation**
**Cost summary for 10/12-12/12**

| 5/12-4/13 SC | |
|---|---|
| DSM | 0.1337 |
| DSDR | 0.1337 |
| EE | 0.1408 |

| | Oct-12 | Nov-12 | Adj | Dec-12 | Q4 2012 |
|---|---|---|---|---|---|
| **DSDR Current Period Actual Program Cost Deferral:** | | | | | |
| DSDR Program Costs | 494,644.07 | 411,811.42 | | 366,675 | 1,273,130.86 |
| DSDR G&A | | | | | |
| True-up Entry Amount, if any (See **True-up Notes) | | | | | |
| Subtotal Deferred G&A and O&M | 494,644.07 | 411,811.42 | - | 366,675.37 | 1,273,130.86 |
| **SC:** | | | | | |
| Program Costs | 66,133.91 | 55,059.19 | | 49,024.50 | 170,217.60 |
| G&A | - | - | | - | - |
| True-up Entry Amount, if any (See **True-up Notes) | | | | | |
| Subtotal Deferred O&M and G&A | 66,133.91 | 55,059.19 | | 49,024.50 | 170,217.60 |
| Smart Grid Insurance Expense Accrual | 11,180.71 | 11,191.77 | 47.37 | 11,371.17 | 33,791.02 |