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June 9, 2014

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

**RE: Request to Add New Energy Efficiency Program to Portfolio:
Smart Energy in Offices
Docket Number: 2014-XXX-E**

Dear Mrs. Boyd:

Duke Energy Carolinas, LLC (“Duke Energy Carolinas” or the “Company”) is proposing the non-residential community engagement based program Smart Energy in Offices (the “Program”) for the Duke Energy Carolinas portfolio based on the results of a pilot program in North Carolina, Smart Energy Now. The purpose of the Program is to increase the energy efficiency (“EE”) of targeted customers by engaging building occupants, tenants, property managers and facility teams with information, education, and data to drive behavior change and reduce energy consumption.

The Program will:

1. Provide customers with detailed information on their energy consumption and provide tools that allow customers to make comparisons of their energy usage.
2. Provide information to Program participants on building performance, normalized for factors such as weather and occupancy, aggregate community energy performance, and details on energy saving activities performed in the building.
3. Drive engagement with building staff and tenants/occupants through training, videos, webinars, and other communication channels with a focus on how they can impact energy use through implementing energy saving campaigns.

The Program will be available to non-residential customers served on a Duke Energy Carolinas' general service rate schedule who are not opted-out of the EE portion of Rider EE. Accounts must meet all of the following requirements:

1. Reside within a building where the building has a minimum of 10,000 square feet of occupied office space;
2. Reside within a building where at least 50% of the building's square footage is dedicated to office space;
3. Have a premise address within a participating community with at least two other participating accounts in at least two other participating buildings; and,
4. Have at least 12 months of usage history.

Program enrollment and ongoing participating in the Program is contingent upon the customer complying with the terms of the Program as defined in the Program Tariff, attached as Exhibit A, and the Customer Contract, Exhibit B. Requirements include:

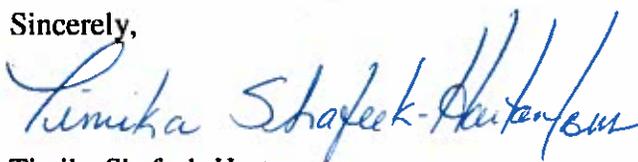
1. Maintaining a high level of engagement with the Company throughout the term of the contract with quarterly check-ins;
2. Prior to the kick-off meeting, designating a (i) customer representative who will serve as a single point of contact for the Company and will be responsible for interfacing with Company representatives on all aspects of the Program, including providing assistance to the Company in connection with coordinating live events, meetings and seminars and assisting in the distribution of written materials, and (ii) customer representatives who will be responsible for dedicating time and resources to implementing the recommendations and guidance provided by the Company and providing the names and contact information for such customer representatives to Company representatives;
3. Actively encouraging occupants to participate in training, campaigns, and other meeting opportunities, implementing energy efficiency recommendations offered by the Company, and providing copies of all written correspondence shared with occupants regarding the Program and as allowed, providing tenant and/or occupant information to the Company;
4. Placing static signage in the office space occupied by a participating customer noting that customer is a participant in the Program; and,
5. Providing information to the Company on a quarterly basis or as otherwise reasonably requested, which may include information on building occupancy and any pertinent changes that will impact energy usage and potential energy savings.

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The Program will use lessons learned from the Smart Energy Now pilot to develop its communication plan and will monitor various communication channels to effectively engage with customers as needed to drive engagement and energy savings. Costs associated with communications materials for this Program through various communication channels are estimated at \$100,000. Expected participation and cost effectiveness for the Program are included in Exhibits A and B.

Please contact me should there be any questions.

Sincerely,

A handwritten signature in blue ink that reads "Timika Shafeek-Horton". The signature is fluid and cursive, with the first name being the most prominent.

Timika Shafeek-Horton
Deputy General Counsel

TSH/bml

Enclosures

cc: Ms. Nanette Edwards, ORS
Ms. Shannon B. Hudson, ORS

**Attachment A
Participation**

	Smart Energy In Offices
1 Measure Life (Average)	1
2 Free Rider % (Average)	18%
3 Incremental Participants Year 1	1,822,554
4 Incremental Participants Year 2	4,181,211
5 Incremental Participants Year 3	4,715,246
6 Incremental Participants Year 4	4,686,069
7 Incremental Participants Year 5	4,305,201
8 Cumulative Participation Year 1	1,822,554
9 Cumulative Participation Year 2	4,181,211
10 Cumulative Participation Year 3	4,715,246
11 Cumulative Participation Year 4	4,686,069
12 Cumulative Participation Year 5	4,305,201
13 Cumulative Summer Coincident kW w/ losses (net free) Year 1	330
14 Cumulative Summer Coincident kW w/ losses (net free) Year 2	758
15 Cumulative Summer Coincident kW w/ losses (net free) Year 3	855
16 Cumulative Summer Coincident kW w/ losses (net free) Year 4	849
17 Cumulative Summer Coincident kW w/ losses (net free) Year 5	780
18 Cumulative kWh w/ losses (net free) Year 1	1,587,432
19 Cumulative kWh w/ losses (net free) Year 2	3,641,807
20 Cumulative kWh w/ losses (net free) Year 3	4,106,948
21 Cumulative kWh w/ losses (net free) Year 4	4,081,535
22 Cumulative kWh w/ losses (net free) Year 5	3,749,801
23 Per Participant Weighted Average Coincident Saved Winter kW w/losses	0.00019
24 Per Participant Weighted Average Coincident Saved Summer kW w/losses	0.00022
25 Per Participant Average Annual kWh (net free) w/losses Year 1	0.87
26 Per Participant Average Annual kWh (net free) w/losses Year 2	0.87
27 Per Participant Average Annual kWh (net free) w/losses Year 3	0.87
28 Per Participant Average Annual kWh (net free) w/losses Year 4	0.87
29 Per Participant Average Annual kWh (net free) w/losses Year 5	0.87
30 Cumulative Lost Revenue (Net Free Riders) Year 1	\$98,801
31 Cumulative Lost Revenue (Net Free Riders) Year 2	\$231,810
32 Cumulative Lost Revenue (Net Free Riders) Year 3	\$267,352
33 Cumulative Lost Revenue (Net Free Riders) Year 4	\$271,729
34 Cumulative Lost Revenue (Net Free Riders) Year 5	\$255,311
35 Average Lost Revenue per Participant (net free) Year 1	\$0.054
36 Average Lost Revenue per Participant (net free) Year 2	\$0.055
37 Average Lost Revenue per Participant (net free) Year 3	\$0.057
38 Average Lost Revenue per Participant (net free) Year 4	\$0.058
39 Average Lost Revenue per Participant (net free) Year 5	\$0.059
40 Total Avoided Costs/MW saved Year 1	\$143,565
41 Total Avoided Costs/MW saved Year 2	\$147,353
42 Total Avoided Costs/MW saved Year 3	\$150,922
43 Total Avoided Costs/MW saved Year 4	\$154,360
44 Total Avoided Costs/MW saved Year 5	\$157,732
45 Total Avoided Costs/MWh saved Year 1	\$79
46 Total Avoided Costs/MWh saved Year 2	\$87
47 Total Avoided Costs/MWh saved Year 3	\$85
48 Total Avoided Costs/MWh saved Year 4	\$79
49 Total Avoided Costs/MWh saved Year 5	\$87

Attachment B
Cost-Effectiveness Evaluation

Smart Energy in Offices					
		UCT	TRC	RIM	Participant
1	Avoided T&D Electric	\$255,588	\$255,588	\$255,588	
2	Cost-Based Avoided Elec Production	\$1,230,762	\$1,230,762	\$1,230,762	
3	Cost-Based Avoided Elec Capacity	\$207,466	\$207,466	\$207,466	
4	Participant Elec Bill Savings (gross)				\$1,171,462
5	Net Lost Revenue Net Fuel			\$693,606	
6	Administration Costs	\$123,669	\$123,669	\$123,669	
7	Implementation Costs	\$155,866	\$155,866	\$155,866	
8	Incentives	\$158,605		\$158,605	\$158,605
9	Other Utility Costs	\$798,665	\$798,665	\$798,665	
10	Participant Costs		\$0		\$0
11	Total Benefits	\$1,693,815	\$1,693,815	\$1,693,815	\$1,330,067
12	Total Costs	\$1,236,805	\$1,078,200	\$1,930,412	\$0
13	Benefit/Cost Ratios	1.37	1.57	0.88	
Data represents present value of costs and benefits over the life of the program.					

Attachment C Tariff

Duke Energy Carolinas, LLC

South Carolina Original (Proposed) Leaf No. 177

SMART ENERGY IN OFFICES PROGRAM (SC)

AVAILABILITY

This program is available on a limited and voluntary basis, at the option of Duke Energy Carolinas, LLC ("Company"), to customers occupying or providing commercial office space in buildings with a minimum of 10,000 of occupied square feet with at least 50% designated as office space. Customers occupying space within such buildings that are utilized as retail establishments, restaurants, museums, theatres, athletic facilities, etc. are not eligible to participate in this program.

GENERAL PROVISIONS

Program participation is dependent upon there being at least three participating customers in a geographic community in at least three separate buildings.

Under this program, the Company will provide each participating customer with information on energy usage; tools to help the customer better identify opportunities for energy efficiency, and guidance on how to engage tenants and/or occupants to change their behaviors regarding energy use. The Company will provide the customer insight into how the behavior of its facility teams and occupants are achieving energy savings.

Participation in this program requires that the customer agree to disclose the customer's energy usage data such that the Company can provide aggregated community energy information through online portals, benchmarking information to the community and insights into building energy trends to customers' tenants and/or occupants within a geographic community. No individual customer data will be disclosed to anyone other than the participating customer, and customer data will be provided to the community only on an aggregated basis.

Participation in this program requires that the customer agree to participate in activities as directed by the Company, including, but limited to, participating in campaign activities for energy efficiency initiatives, actively engaging tenants and/or occupants in energy savings education, implementing energy efficiency recommendations, providing occupancy information and participating in measurement and verification activities and surveys.

CONTRACT

Each customer shall enter into an agreement for a term of three (3) years which may be extended for an additional term upon mutual agreement by the Company and the customer. The Company reserves the right to terminate the customer's participation in this program at any time for failure to comply the Company's requirements as set forth above upon thirty (30) days' notice.

**Attachment D
Customer Contract**

Duke Energy Carolinas, LLC
SMART ENERGY IN OFFICES PROGRAM AGREEMENT

This agreement is made as of the _____ day of _____ 20__, by and between Duke Energy Carolinas, LLC ("Company") _____ and _____ ("Customer").

1. This agreement shall become a contract under which the Company agrees to provide energy information and tools for Customer and occupant engagement under the following terms and conditions.
2. The Customer agrees to comply with the program requirements as outlined in the Company's Smart Energy in Offices Program ("Program") as filed with and approved by the State Commission ("Commission") having jurisdiction over Public Utilities. All terms and conditions for this Program are subject to modification from time to time as approved by the Commission.
3. The Customer understands that this Program only provides information to identify potential energy savings opportunities, but that the customer will need to take action in order to achieve actual savings.
4. The Customer authorizes the Company to include its energy savings performance in an aggregated community view via an online portal.
5. This agreement is effective as of _____ and has a term of three (3) years. If the customer fails to comply with the Company's requirements under the Program, the Company reserves the right to terminate the agreement upon thirty (30) days' notice.
6. The service locations within a building to be covered by this agreement are as follows:

Service Address	City	Account Number

("Customer")

Duke Energy Carolinas, LLC ("Company")

By _____

By _____

Title _____

Title _____

Duke Energy Carolinas, LLC

SMART ENERGY IN OFFICES PROGRAM AGREEMENT

Appendix

This agreement is made as of the _____ day of _____ 20__, by and between Duke Energy Carolinas, LLC ("Company") _____ and _____ ("Customer").

1. Information pertaining to the Customer's energy savings will be used to calculate the energy savings of the Customer's building. The Customer authorizes the Company to include its energy savings performance in a building view via an online portal. The data may or may not be shown in aggregate.

2. This agreement is effective as of _____ and has a term of three (3) years not to exceed the terms of the Smart Energy in Offices Program Agreement. If the customer fails to comply with the Company's requirements under the Program, the Company reserves the right to terminate the agreement upon thirty (30) days' notice.

3. The service locations within a building to be covered by this agreement are as follows:

Service Address	City	Account Number

_____ ("Customer")

Duke Energy Carolinas, LLC ("Company")

By _____

By _____

Title _____

Title _____