Before the
**FEDERAL COMMUNICATIONS COMMISSION**
Washington, D.C. 20554

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| In the Matter of | ) | |
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| Amendment of the Commission's | ) | WT Docket No. 06-49 |
| Part 90 Rules in the 904-909.75 and | ) | |
| 919.75-928 MHz Bands | ) | |

**REPLY COMMENTS OF**
**PROGRESS ENERGY FLORIDA, INC. and PROGRESS ENERGY CAROLINAS, INC.**

**General**

Progress Energy Florida, Inc. and Progress Energy Carolinas, Inc. (hereinafter referred to herein as "Progress Energy") hereby submits reply comments ") in the above-captioned proceeding[1] to echo the concerns raised by other utilities, the Part 15 Coalition and Itron, regarding proposals to expand use of the 902-928 MHz band in ways that threaten to interfere with critical utility infrastructure already operating in this band. More specifically, Progress Energy believes that preserving the "safe harbor" provisions for unlicensed Part 15 devices operating in the frequencies in the 904-909.75 MHz and 919.75-928 MHz portions of the 902-928 MHz band is essential and that expanding the permissible uses of the licensed part of the band would undermine requisite interference protection for unlicensed Part 15 devices. Progress Energy shares the concerns that utility customers have come to rely on the effective and efficient use of the 902-928 MHz band to promote the efficient supply and use of our nations most critical resources – electricity, gas and water.

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[1] *In the Matter of Amendment of the Commission's Part 90 Rules in the 904-909.75 and 919.75-928 MHz Bands*, Notice of Proposed Rulemaking, WT Docket No. 06-49, FCC No. 06-24 (rel. March 7, 2006) ("NPRM").

## Introduction

Progress Energy is an investor owned electric utility serving over 2.7 million customers in North Carolina, South Carolina, and Florida. Progress Energy currently utilizes multiple licensed and unlicensed radio systems to provide necessary and critical communication services to enable the generation, transmission, distribution, and delivery of electric power to its customers. The continued effective and unimpeded use of these radio services is critical to Progress Energy in maintaining the safety and reliability of the electrical grid and in its ability to provide reliable and consistent electric power services to the public.

Progress Energy utilizes multiple commercially supplied radio systems that operate in the 902-928 MHz band which are critical to providing the effective and efficient distribution of electric power and metering its use. A significant benefit of using these radio systems is to allow Progress Energy to provide the public greater reliability in the delivery of electric power and in the accuracy and timeliness of metering these services. Any changes to the existing regulations and uses of the 902-928 MHz band could negatively and dramatically impact the effectiveness of the radio systems currently employed by Progress Energy and in its ability to provide and maintain the critical electric power systems infrastructure.

## Progress Energy's Use of 902-928 MHz Devices and Systems

### Electric Meter Reading

Progress Energy is currently in the process of deploying Itron's automatic meter reading ("AMR") technologies to monitor and report electric consumption for 2.7 million customers. The Itron AMR system being implemented by Progress Energy was expressly designed to utilize the 902-928 MHz band. As of May 2006, Progress Energy has completed the deployment of over 1.8 million meters and will complete deployment of all 2.7 million meters in early 2007. This project represents an investment by Progress Energy for its investors and customers of about $140 million capital and will ultimately result in reduced operations cost of about $21 million a year.

The ability to effectively use the 902-928 MHz band to remotely read these Itron meters has allowed Progress Energy to substantially reduce its operating cost and to provide increased accuracy in metering and thus better serve its customers. These benefits, however, could well be lost if changes are made to the Part 90 M-LMS rules that would pose an undue risk of interference to the Progress Energy AMR system.

**Critical Grid Monitoring and Management**

Progress Energy also utilizes radio systems which operate in the 902-928 MHz band to monitor and control certain component systems of the electrical grid. These radio systems by their position in the radio spectrum and their propagation characteristics enable them to be used where other licensed or other unlicensed radio systems are ineffective for monitoring and controlling remote devices on the electric grid.

During normal operations these radios systems are used to provide control and important operational information which in turn allows the safe and efficient management of the electric grid. During emergency conditions these systems are critical to Progress Energy's ability to safely and effectively control the electric grid and to

control and restore electric power to critical infrastructure services and customers such as hospitals, military facilities, law enforcement and civilian authorities, and emergency operations facilities. Any changes to the 902-928 MHz band and its use which would negatively impact Progress Energy's ability to support and maintain the electric grid and in turn these critical public infrastructure services could thereby impact the safety and well being of the general public.

**Other Benefits**

Progress Energy has historically provided services that best benefit its investors and customers. This includes those proposed or mandated by regulation and those that will provide added value and service to its customers. To that end Progress Energy is contemplating additional and expanded services offerings to its customers which may well depend on devices utilizing the 902-928 MHz band as the most cost effective and efficient means of providing these services. Any changes to the 902-928 MHz band and its use which would negatively impact Progress Energy's ability to use this band effectively would likely impact its ability to provide and support mandated or other enhanced customer services in a cost effective manner. This in turn could result in requiring Progress Energy to utilize higher cost options to provide mandated customer services that would quite likely lead to increased rates for its customers.

**Public Interest**

Progress Energy feels strongly that the current shared use of the 902-928 MHz band has greatly benefited the public interest. This includes the ability of Progress Energy to provide cost effective systems which are utilized to support the normal

operation of the electric grid and in its ability to respond effectively in emergency conditions to safely restore electric power in a rapid and orderly manner. Progress Energy feels strongly that any changes to the 902-928 MHz band and its use which would negatively impact Progress Energy's ability to provide these services to the public would be counter to general public interest.

**Conclusions**

The NPRM has outlined and requested comment on multiple technical issues relating to the radiated power, banding, and modulations techniques proposed to be used in any rules changes. Progress Energy as an end user of radio systems that utilize the 902-928 MHz band feel these questions and issues are best addressed by the equipment manufacturers working in conjunction with the Office of Engineering and Technology and the Commission.

That being said, Progress Energy feels strongly that the continued effective and unimpeded use of radio services in the 902-928 MHz band is critical to its ability to maintain the safety, reliability, and management of the electrical grid and in and in its ability to providing reliable and consistent electric power services to the public.

While Progress Energy is not opposed to the advance of commercial enterprises like the M-LMS services, Progress Energy is very concerned with any changes in the rules and use of the 902-928 MHz band that would negatively impact its ability to continue to effectively use this band. Any changes to the M-LMS rules that would allow and encourage greater occupancy of any portions of the 902-928 MHz band and also enable the potential for greater geographic deployment of the M-LMS systems will almost certainly lead to interference issues with the AMR systems which Progress Energy

has committed over $140 million to deploy. This could result in a significant negative economic impact on Progress Energy and its customers and in its ability to provide cost effective, timely, and accurate billing services to its customers.

Beyond the possible economic impact, any changes to the 902-928 MHz rules could negatively impact the ability of Progress Energy to safely and effectively operate the electric grid and to respond to emergency conditions in order to restore power to critical military and civilian facilities may thereby impact the safety and well being of the general public.

For these reason and other stated above Progress Energy opposes any changes to the M-LMS rules at this time.

Respectfully submitted,

Progress Energy Florida, Inc. and
Progress Energy Carolinas, Inc.

Lee T. Mazzocchi

By Lee Mazzocchi
Title VP, Distribution Department
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