

From: Chris Furnari

To: John Kennedy

Date: February 05, 2003

Subject:

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Message:

Mr. Kennedy,

Response to your questions:

Question 1. Please justify the need to use the quantity of 1000 devices as reported in the application.

Answer 1. We are interested in using this PLC technology for utility applications (such as monitoring and control of line equipment) and high-speed data transfer applications (ie, Internet access). We will test PLC in a residential area (underground and overhead distribution) and a commercial area (primarily underground distribution). We will test for data transfer speeds, distance capabilities and radio emissions of the equipment under varying operational conditions. We expect to install approximately 100 users/devices for the initial test period to be completed by May 31, 2003. If the technology proves reliable at this stage, we expect to continue testing the technology in a larger setting, up to 1000 user/devices.

Question 2. Please clarify whether the request frequency band is 1-30 MHz or 1.7-50 MHz.

Answer 2. The correct request frequency band is 1.7-50 MHz.

Chris Furnari

Progress Energy