

Dear Mr. Kennedy,

Response to question:

Question. What additional data is expected to be obtained by the use of 1000 units that cannot be obtained by the use of 100 units?

Answer. Progress is interested in the potential use of PLC to provide needed communications to increase the reliability and efficiency of its electric transmission and distribution system and provide broadband Internet access to its electric customers. As with cable modems, increase in units has a direct relationship with a decrease in bandwidth. Progress may not install 1000 customer locations to conduct the broadband speed with relations to increase of users, but may select other suppliers during the test period to compare performance of vendors. If another vendor(s) are selected, Progress will not exceed the 1000 total customer units implied on our application for license.

Chris Furnari  
Progress Energy