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January 18, 2018

Ms. Martha Lynn Jarvis  
Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4300

**Re: *Reidsville Energy Center***  
***Docket No. EMP-92, SUB 0***  
***Annual Progress Report -- Pursuant to Commission Rule R8-63(f)***

Dear Ms. Jarvis:

On January 19, 2017, the Reidsville Energy Center ("REC"), located in Rockingham County, North Carolina, received the Order Granting a Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission ("Commission"). In compliance with said Order, Commission Rule R8-63(f), and North Carolina General Statute § 62-110.1(f), NTE Carolinas II submits for filing, in the above-referenced docket, its annual progress report for REC.

The following list sets forth major project activities since the issuance of the Certificate of Public Convenience and Necessity by the Commission:

- NTE Carolinas II has received the Air Quality Permit No. 10494R00 from the Department of Environmental Quality, Division of Air Quality;
- NTE Carolinas II has filed its Exempt Wholesale Generator Status with the Federal Energy Regulatory Commission in Docket No. EG18-2-000;
- NTE Carolinas II has received a Determination of No Hazard to Air Navigation, and the required extension, from the FAA (Aeronautical Study No. 2016-ASO-28841-OE);

A Pennsylvania Limited Liability Partnership

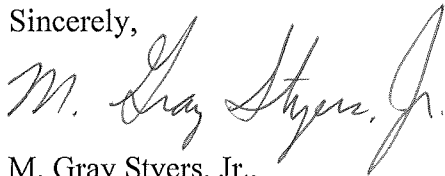
California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota  
Nevada New Jersey New York North Carolina Pennsylvania South Carolina Texas Washington

- NTE Carolinas II has received the Nationwide Wetlands Permit from the U.S. Army Corps of Engineers and the Section 401 Water Quality Certification from the North Carolina Department of Environmental Quality – Division of Water Resources (DWR #2017-0067 v2);
- NTE Carolinas II has submitted to the U.S. Department of Energy a self-certification of fuel use under the Power Plant and Industrial Fuel Use Act of 1978 as amended, 42 U.S.C. § 8311(d);
- NTE Carolinas II has executed the Amended & Restated Utilities Agreement with the Rockingham County, North Carolina;
- NTE Carolinas II has executed the Large Generator Interconnection Agreement (“LGIA”) with Duke Energy Carolinas, LLC (“DEC”) and has begun funding DEC to perform the necessary Network Upgrades to their transmission system;

The projected commercial operation date for REC is October 1, 2021, with an expected Final Completion date of January 1, 2022. There are currently no firm cost estimate revisions.

Please do not hesitate to contact me if you have any questions or comments regarding this report.

Sincerely,



M. Gray Styers, Jr.,  
Counsel

Cc: Michael C. Green, Vice President, NTE Carolinas, II  
Maribel Zambrana, Esq., General Counsel, NTE Carolinas, II  
Len Green, Esq., NCUC Senior Staff Attorney