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INFORMATION SHEET

PRESIDING: Chairman Finley, Commissioners Beatty, Brown-Bland, Bailey, Dockham, Patterson, Gray
PLACE: Dobbs Building, Raleigh, North Carolina
DATE: July 19, 2016
TIME: 9:00 a.m. to 12:29 p.m.
DOCKET NO.: E-2, Sub 1095, E-7, Sub 1100, G-9, Sub 682
COMPANY: Duke Energy Corporation and Piedmont Natural Gas, Inc.
DESCRIPTION: Application of Duke Energy Corporation and Piedmont Natural Gas, Inc., to Engage in a Business Combination Transaction and Address Regulatory Conditions and Codes of Conduct

volume: 2

APPEARANCES

FOR DUKE ENERGY CAROLINAS, LLC
Lawrence B. Somers, Esq.
Kodwo Ghartey-Tagoe, Esq.
Kendrick C. Fentress, Esq.

FOR PIEDMONT NATURAL GAS COMPANY, INC.
James M. Jeffries, IV, Esq.

FOR NORTH CAROLINA WASTE AWARENESS AND REDUCTION NETWORK, THE CLIMATE TIMES AND NC HOUSING COALITION
John Runkle, Esq.

FOR FAYETTEVILLE PUBLIC WORKS COMMISSION
James P. West, Esq.

FOR CAROLINA UTILITY CUSTOMERS ASSOCIATION, INC.
Robert F. Page, Esq.

FOR THE USING AND CONSUMING PUBLIC
Antoinette R. Wike, Esq.
Elizabeth D. Culpepper, Esq.

WITNESSES
Steven K. Young
Frank Yoho
James D. Reitzes, Ph.D.
Bruce P. Barkley

EXHIBITS

NC WARN Yoho Cross Examination Exhibit Number 1 (I/A)
NC WARN Yoho Cross Examination Exhibit Number 2 (I/--)
NC WARN Barkley Cross Examination Exhibit Number 1 (I/--)

COPIES ORDERED: Email:- Somers, Jeffries, Runkle, West, Wike, Culpepper

REPORTED BY: Linda Garrett
TRANSCRIBED BY: Linda Garrett
DATE TRANSCRIBED: July 25, 2016

TRANSCRIPT PAGES: 128
PREFILED PAGES: 61-

NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

DATE 7/18/16 DOCKET #: E-2, Sub 1095, et. al

NAME AND TITLE OF ATTORNEY Lawrence B. Somers, Deputy General Counsel

FIRM NAME Duke Energy Corporation

ADDRESS P.O. Box 1551 NCRH 20

CITY Raleigh ZIP 27602

APPEARING FOR: Duke Energy Corp.

APPLICANT ✓ COMPLAINANT ____ INTERVENER ____

PROTESTANT ____ RESPONDENT ____ DEFENDANT ____

PLEASE NOTE: Electronic Copies of the regular transcript can be obtained from the NCUC web site at HTTP://NCUC.commerce.state.nc.us/docksrch.html under the respective docket number.

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Name:

Phone #:

Email: bo.somers@duke-energy.com

Signature: [signature]

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NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

G-9, SUB 682

DATE July 18 2016 DOCKET #: E-2, SUB 1095, E-7, SUB 1100

NAME AND TITLE OF ATTORNEY Kodwo Ghartey-Tagoe SVP, Legal

FIRM NAME Duke Energy Corp.

ADDRESS 550 S. Tryon St

CITY Charlotte ZIP NC 28202

APPEARING FOR: Duke Energy Corporation

APPLICANT ✓ COMPLAINANT ______ INTERVENER ______

PROTESTANT ______ RESPONDENT ______ DEFENDANT ______

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NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

DATE 7/19/16 DOCKET #: E-2, Sub 1095, E-7, Sub 1100

NAME AND TITLE OF ATTORNEY Kendrick Fentress

FIRM NAME Duke Energy

ADDRESS PO Box 1551/NCRH 20

CITY Raleigh NC ZIP 27602

APPEARING FOR: Duke Energy

APPLICANT	✓	COMPLAINANT		INTERVENER	
PROTESTANT		RESPONDENT		DEFENDANT	

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Name: ______

Phone #: ______

Email: ______

Signature: Kendrick Fentress

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Signature: Kendrick Fentress

NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

DATE 7/18/16 DOCKET #: G-9 SUB 682

NAME AND TITLE OF ATTORNEY JAMES H. JEFFRIES IV

FIRM NAME MOORE + VAN ALLEN

ADDRESS 100 N. TRYON ST SUITE 4700

CITY CHARLOTTE NC ZIP 28202

APPEARING FOR: PIEDMONT NATURAL GAS

APPLICANT X COMPLAINANT ___ INTERVENOR ___

PROTESTANT ___ RESPONDENT ___ DEFENDANT ___

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NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

G-9 Sub 682

DATE 7/10/16 DOCKET #: E2 Sub 1095/E7 Sub 1100

NAME AND TITLE OF ATTORNEY John D. Runkle

FIRM NAME Attorney at Law

ADDRESS 2121 Damascus Ch. Rd

CITY Chapel Hill NC ZIP 27516

APPEARING FOR: NCWARN, The Climate Times, + NC Housing Coalition

APPLICANT ____ COMPLAINANT ____ INTERVENER ✓

PROTESTANT ____ RESPONDENT ____ DEFENDANT ____

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Phone #: 919-942-0600

Email: jrunkle@pricecreek.com

Signature: John Runkle

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Signature: ____

NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

DATE 07/18/2016 DOCKET #: E-2, Sub 1095 E-7, Sub 1100

NAME AND TITLE OF ATTORNEY [illegible] G-9, Sub 682

FIRM NAME West Law Offices

ADDRESS 434 Fayetteville Street

CITY Raleigh, NC ZIP 27601

APPEARING FOR:

APPLICANT ______ COMPLAINANT ______ INTERVENER ✓

PROTESTANT ______ RESPONDENT ______ DEFENDANT ______

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NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

DATE 7/18/16 DOCKET #: E-2, Sub 1095; E-7, Sub 1100; G-9, Sub 682

NAME AND TITLE OF ATTORNEY Robert F. Page

FIRM NAME Crisp, Page & Currin, LLP

ADDRESS 4010 Barrett Dr., Suite 205

CITY Raleigh ZIP 27609

APPEARING FOR: Carolina Utility Customers Association, Inc.

APPLICANT ______ COMPLAINANT ______ INTERVENER ✓

PROTESTANT ______ RESPONDENT ______ DEFENDANT ______

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NORTH CAROLINA UTILITIES COMMISSION

PUBLIC STAFF - APPEARANCE SLIP

DATE 07/18/16 DOCKET #s: E-2, Sub 1095, E-7, Sub 1100, G-9, Sub 682

PUBLIC STAFF MEMBER Antoinette R. Wike

ORDER FOR TRANSCRIPT OF TESTIMONY TO BE **EMAILED** TO THE PUBLIC STAFF - PLEASE INDICATE YOUR DIVISION AS WELL AS YOUR EMAIL ADDRESS BELOW:

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LEGAL antoinettte.wike@psncuc.nc.gov
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All Public Staff personnel working on case.

______

Signature of Public Staff Member

NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE 07/18/16 DOCKET #s: E-2, Sub 1095, E-7, Sub 1100, G-9, Sub 682

PUBLIC STAFF MEMBER Elizabeth D. Culpepper

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LEGAL elizabeth.denning@psncuc.nc.gov
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All Public Staff personnel working on case.

Elizabeth D. Culpepper

Signature of Public Staff Member

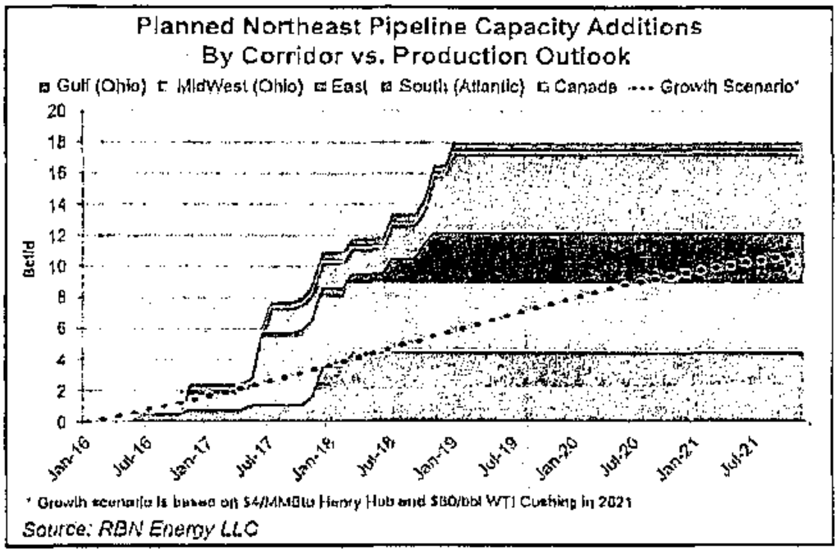
I/A

Yoho
NC WARN ~~Good/Skains~~ Cross-Exhibit 1

NGI NATURAL GAS INTELLIGENCE
NatGasIntel.com

Marcellus/Utica On Pace for Pipeline Overbuild, Says Braziel

Jeremiah Shelor http://www.naturalgasintel.com/articles/106695-marcellusutica-on-pace-for-pipeline-overbuild-says-braziel
June 8, 2016



The need for more takeaway capacity out of the Marcellus and Utica shales has become a common refrain, but with a long list of projects on tap the Northeast could be headed for a pipeline overbuild, according to RBN Energy LLC President Rusty Braziel.

Speaking to attendees at the 21st Annual LDC Gas Forums Northeast conference in Boston Tuesday, Braziel said an evaluation of price and production scenarios through 2021 suggests the industry is planning too many pipelines to relieve the region's current capacity constraints.

"Is it possible that we could build too much takeaway capacity out of the" Marcellus and Utica? "It's certainly happened in about every other segment of the energy business over the last few years," Braziel said.

Braziel said his firm estimated Northeast production through 2021 by taking a range of price scenarios and determining what producers would be likely to drill and how many drilled but uncompleted (DUC) wells they would put into service.

RBN's most aggressive growth scenario, based on 2021 prices of $4/MMBtu Henry Hub and $60/bbl West Texas Intermediate, would see the Marcellus and Utica increase production by 11 Bcf/d over the next five years.

Meanwhile, add up all the major proposed Marcellus/Utica takeaway projects headed to the East (3.3 Bcf/d), to the Midwest (4.3 Bcf/d), to the Gulf of Mexico (4.5 Bcf/d), to the South along the Atlantic Coast (5.2 Bcf/d) and to Canada (.65 Bcf/d) and it equals 18 Bcf/d of new capacity by 2019.

"Could prices be higher, and could [the growth scenario] be higher because prices are higher? Yes, it could. Could pipes be delayed? Absolutely," Braziel said. Ultimately the discrepancy between the growth projections and planned capacity "means that there are a lot of things that could go right or wrong depending on your perspective on all of this...**If you're looking at this from the standpoint of a company committing or considering commitments to any pipelines, firm pipeline capacity, 20-year deals, you just might want to think long and hard about whether [an overbuild] could happen."**

Braziel drew parallels between the current state of shale hydrocarbon commodities markets and the housing market crash during the Great Recession.

"What we're really seeing is the tail end of a bubble, and what's actually happened is that bubble attracted billions of dollars worth of infrastructure investment that now has to be worked off," he said. "It's entirely possible that that could be the world that we're into now, that it's this world of infrastructure investment that we're dealing with right now and that this has a lot to do with what we're seeing happening up in the Northeast."

Basis differentials at Appalachian Basin trading points still point to a need for more pipelines, Braziel said. It may come down to which projects pull from the remaining active areas within the basin, he said.

"Due to localized transportation or capacity constraints, that means a lot of these pipes are going to be needed anyway. Growth is in very narrow pockets, so we're going to need some of these pipes," Braziel said. "That means if you're looking at one of those pipes that is not in one of these narrow pockets, then that pipeline might be at risk."

Of the 15 counties responsible "for the vast majority" of drilling activity in Pennsylvania, Ohio and West Virginia, "there's only been nine of those counties that have anything going on today...It's a very concentrated market with not much drilling going on. Of course, there are the DUCs [Drilled But Uncompleted wells]. So there are certainly DUCs coming back, but the majority of the DUCs, guess what? The good DUCs are coming back in those very same counties...There's a lot of other DUCs that are scattered about in those other counties that were drilled quite some time ago. They're probably not coming back. The economics are not so good. **We like to call them the dead DUCs."**

I/--

Yoho

NC WARN ~~Good/Skains~~ Cross-Exhibit 2

Bloomberg Businessweek

http://www.bloomberg.com/news/articles/2016-06-23/get-your-pipeline-out-of-my-yard

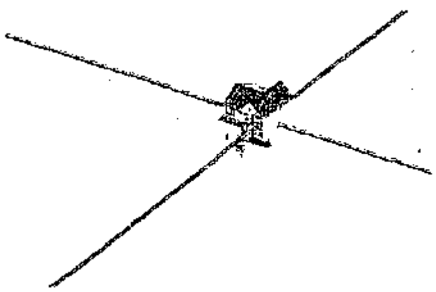
Get Your Pipeline Out of My Yard

Homeowners, environmentalists, and the ... natural gas are getting in the way of an i...

Marked, not admitted Yoho Cross 2

Barkley Cross 1 Marked Vol. 2 never admitted

Matthew Philips matthewaphilips
June 23, 2016 — 3:12 PM EDT



Thanks to the shale drilling revolution, the U.S. has gone in less than a decade from being woefully short of natural gas to having almost a century's worth of supplies. But the pipelines that were going to transform American energy use are getting harder to build. To take full advantage of the windfall, the country must fundamentally change the way natural gas flows through the U.S. Yet what used to be seen as a rubber-stamp approval process has turned into a slow-motion headache for pipeline companies, brought on by ecological concerns and the changing economics of natural gas.

Take the case of the Hollerans. The first time they heard about the Constitution pipeline was in 2012, when men started showing up on their land to do survey work. Their 23-acre homestead in northeastern Pennsylvania was in the path of the $875 million pipeline, which would stretch 124 miles from the Marcellus Shale fields of Pennsylvania into New York state, where it would connect with existing pipelines to deliver cheap natural gas to cities in the Northeast.

As other landowners around them made deals with the pipeline's owner, Tulsa-based Williams Cos., the Hollerans held out. For two years they tried to get Williams to make alterations to the route, which initially ran through the middle of their house. Williams diverted the pipeline away from the house, but not from the grove of mature maple trees that supply the family's burgeoning syrup business. Williams offered compensation, but nothing that approached what the Hollerans considered to be the value of their land. So they refused to sign.

In December 2014, Williams secured federal approval for Constitution, which gave it the right to enforce eminent domain on the Hollerans and seize their property in the name of the public good. Over three days in early March 2016, chain saw crews cleared 3.5 acres of the Hollerans' land, including hundreds of trees and 90 percent of their maples. State police blocked off nearby roads. U.S. marshals with bulletproof vests and assault rifles stood guard.

Then, seven weeks later, on Earth Day, New York state denied Constitution water quality permits, claiming that Williams hadn't provided adequate details on its plans to bury the pipe beneath some 250 streams. Williams disputes this and is suing the New York State Department of Environmental Conservation. Technically, the pipeline isn't dead, but it's effectively on life support. To Megan Holleran, the victory is bittersweet. "Those trees will never grow back in my lifetime," she says. "We'll never be able to produce syrup on that land again."

That same week in April, Texas energy giant Kinder Morgan canceled its $3 billion Northeast Energy Direct project, a 420-mile natural gas pipeline planned to run roughly parallel with Constitution. Together, the two pipelines were going to form a sort of energy superhighway, delivering a combined 2.8 billion cubic feet of gas a day from Pennsylvania, enough to serve 14 million homes. But unlike Constitution, Kinder's pipeline wasn't killed by politics or local opposition or even a denied permit; it was doomed by basic economics. The company couldn't persuade power plants and factories in the Northeast to sign long-term contracts to buy the gas it would deliver.

As the industry presses for even more capacity, it's time to consider whether there is both a need for more pipelines and enough political and popular will to go on building them.

Since 2009 federal authorities have approved some 5,000 miles of natural gas pipelines. Companies are seeking approval for an additional 3,500 miles, representing an investment of about $35 billion. But environmental and property-rights activists have formed a considerable front against the industry. Emboldened by their win against the Keystone XL crude pipeline, activists have mounted environmental challenges that have slowed or led to the withdrawal of 8 out of 14 major pipelines proposed to take gas out of the Marcellus Shale region. The average time for a pipeline to get approved and built has grown from three years to four, according to the Interstate Natural Gas

Association of America (INGAA). For an industry sitting on $35 billion in investments, those delays add up to billions in lost profits.

Gas pipelines have also become a focal point in the bigger public debate over climate change and fracking, which recently has turned against the industry. A **March Gallup poll showed 51 percent of Americans oppose fracking**—the technique for releasing oil and gas from rock that's made the U.S. what even President Obama describes as the "Saudi Arabia of natural gas." That's up from 40 percent opposition in 2015. The biggest loss of support came among Republicans, 55 percent of whom say they favor fracking, down from 66 percent in 2015.

More worrying for the pipeline industry, and the natural gas producers they serve, is that the economics of pipelines are becoming less favorable. Building a pipeline requires customers to sign long-term contracts that lock them into buying gas sometimes for as long as 20 years. With wind and solar getting cheaper by the day, those commitments no longer make as much sense as they once did. Natural gas pipeline companies, in testimony to federal electricity regulators, have acknowledged as much and that the trend toward renewable energy limits the economic viability of their pipelines. "Renewables are certainly competition," says Donald Santa, president of INGAA.

This year, for the first time, natural gas is expected to pass coal as the top source of electricity generation in the U.S. That's mainly because natural gas is so cheap—but low prices are a double-edged sword for pipeline companies. As drillers struggle to make money, some are looking to break long-term contracts they've signed with pipeline companies.

Once seen as a hot investment, and a way to get in on the U.S. shale revolution, the pipeline business has turned sour for some major players. **Williams and Kinder Morgan have lost billions in stock market value. Share prices for both companies have fallen more than 50 percent in the past year.** Williams is in talks to merge with rival Energy Transfer Equity, whose stock price has also fallen by half since last summer. With both companies struggling, that deal is now in question.

While the industry still claims the U.S. is desperately short of natural gas pipelines and needs hundreds of billions of dollars in new projects, there's a growing case to be made that we may be on the verge of building too many in some regions. **In a June 7 report, energy analyst Rusty Braziel suggests that by next year there will be enough new capacity to meet growing gas production in the Marcellus and Utica shale regions of Pennsylvania, West Virginia, and Ohio. If all 24 pipeline projects that are proposed for those regions get built, Braziel's analysis suggests, by 2019 new pipeline capacity will be three times greater than new gas**

production. "I'm not saying that's definitely going to happen, but it's a distinct possibility that no one seems to be thinking about," he says. Even the Department of Energy says the country's existing 1.5 million miles of natural gas pipelines can be more efficiently used.

One of the strongest arguments for more pipelines is that the lack of infrastructure is keeping energy prices high in some regions. That was certainly true during the polar vortex of January 2014, which brought record cold temperatures to much of the U.S. and record natural gas prices to New England. The region relies on natural gas for about 47 percent of its electricity generation, up from 28 percent in 2001. In January 2014, New England's governors called for an electricity tariff to pay for added natural gas pipelines.

In line with that request, last October, the public utility commission of Massachusetts gave the state's utilities the ability to sign long-term contracts with pipeline companies and pass on the costs to their rate payers, in effect shifting the cost burden of a new pipeline away from utilities and pipeline companies and onto the backs of consumers. A few weeks later, the state's attorney general, Maura Healey, issued a detailed report suggesting New England is unlikely to face reliability issues in its power sector over the next 15 years and that building pipelines would be among the most costly approaches to the region's energy needs. The industry argues it has to build to accommodate periods of peak demand, even if that's only a few days a year.

On June 14, the U.S. Senate Committee on Energy and Natural Resources held a hearing on the difficulty of building pipelines. Alaska's Republican senator and chair of the energy committee, Lisa Murkowski, essentially asked the most important question: "If the benefits are so apparent ... why is there this disconnect? What are we not doing right in conveying to the American public, the consumer, that there is a clear benefit here?"

She might want to ask Megan Holleran. "I'm not against natural gas, and I'm not anti-pipelines," says Holleran. "I'm a capitalist. But when you try and steamroll and bully people, and refuse to share the benefits of what you're doing, then of course people are going to line up against you."

—*With Dave Merrill*

I/--

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Press Release

07/15/1999

CP&L Completes Acquisition of NCNG

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Carolina Power & Light's (NYSE: CPL) acquisition of North Carolina Natural Gas - which was approved July 13 by N.C. and S.C. regulators and will close today - marks a significant milestone in CP&L's strategy to become a total energy provider in the region.
NCNG will operate as a wholly owned subsidiary of Raleigh-based CP&L.

NCNG is continuing its program to bolster its customer service operations. The company will enhance its Customer Service Center in Fayetteville with a total of about 60 employees. Over the next several months, NCNG will announce dozens of new locations, at grocery stores and other retail outlets, where customers can pay their bills in person and take advantage of convenient hours, including nights and weekends.

"This acquisition brings together two companies known for efficiency and excellent customer service," said CP&L Chairman, President and Chief Executive Officer Bill Cavanaugh. "But the main thing customers want to know is what does this mean for them. We believe it means good things. Delivery and customer service will continue to improve. Natural gas will continue to be extended to more communities in eastern North Carolina that desperately need it. And CP&L will secure additional natural gas to provide clean, reliable power to a growing region."

The acquisition, first announced in November 1998, will generate efficiencies by eliminating duplicate administrative and other functions, but the greatest benefit in the change for the companies and customers alike is in the merging and expansion of energy services in the region.

"This powerful combination strengthens us in the midst of dramatic changes in the competitive energy market," Cavanaugh said. "The more services we can provide in our areas of strength, the more attractive we will be to customers and investors. We will continue to look aggressively for opportunities to grow strategically, to achieve greater financial strength and to better serve our customers."

NCNG Chief Executive Officer Calvin Wells remains CEO of the subsidiary and will report directly to Cavanaugh. Wells also will serve as a member of the CP&L senior management committee.

"We are proud to join the CP&L family," Wells said. "This move builds on the strengths and traditions of both companies. Together, we are gaining the resources needed to better serve a growing marketplace. This partnership is particularly important as we seek to expand economic development opportunities in eastern North Carolina. But one thing won't change, Wells added. "The high level of commitment to the communities we serve and the continued emphasis on providing safe and reliable service will remain the same."

The combination was approved by state and federal regulators and by NCNG stockholders. During a public comment period as part of the review process, political and civic leaders from throughout eastern North Carolina praised the combination.

Under the agreement, NCNG stockholders are receiving 0.8054 shares of CP&L stock for each share of NCNG stock they held. CP&L is transferring $354 million in stock to NCNG shareholders.

Customer service telephone numbers will remain the same for NCNG customers. They can call 1-800-275-6264 (1-800-ASK-NCNG) to establish service or to inquire about their account. They should call 1-877-427-5325 (1-877-GAS-LEAK) to report a gas leak or line break.

Headquartered in Fayetteville, NCNG provides natural gas, propane and related services to about 178,000 customers in 90 towns and cities and on four municipal gas distribution systems in south-central and eastern North Carolina. NCNG's operating revenues were about $232 million in the fiscal year that ended Sept. 30, 1998.

CP&L is a Fortune 500 company providing electricity and energy services to about 1.2 million customers in central and eastern

North Carolina, the Asheville area of North Carolina, and the Pee Dee region of South Carolina. CP&L had revenues of more than $3.1 billion in 1998.

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Press Release

10/16/2002

Progress Energy to sell NCNG to Piedmont Natural Gas for $425 million

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Vi re

RALEIGH, NC (October 16, 2002) -- Progress Energy [NYSE: PGN] announced today an agreement with Piedmont Natural Gas to sell the stock of North Carolina Natural Gas (NCNG), its natural gas distribution subsidiary, for approximately $425 million in cash. Progress Energy plans to use the net proceeds from the sale to pay down debt.

The sale includes Progress Energy's investment in EasternNC, a joint venture with the Albemarle Pamlico Economic Development Corporation (APEC) to bring natural gas service to 14 counties in eastern North Carolina. EasternNC is Progress Energy's only other retail natural gas distribution holding.

"Since our acquisition of NCNG in 1999, the industry landscape, and the opportunities for retail competition that existed then, have changed dramatically," said William Cavanaugh, chairman and CEO, Progress Energy. "At that time we envisioned a consolidation opportunity in retail natural gas distribution in advance of deregulation. That direction was altered by our strategic acquisition of Florida Progress and the changing regulatory climate. The divestiture of our natural gas distributor is a response to these changes?one that enables us to further strengthen our balance sheet, while redoubling our commitment to our core electric business."

"Selling NCNG will improve our balance sheet by lowering our debt to equity ratio, which is critical in today's environment," Cavanaugh continued. "Progress Energy remains committed to a diversified strategy that includes regulated and non-regulated energy businesses, electric and natural gas reserves. Additionally, we were pleased to reach an agreement with a company like Piedmont with its successful track record in the retail natural gas business and long-standing commitment to the Carolinas."

The Boards of Directors of both companies have approved the transaction. The acquisition requires approval from the North Carolina Utilities Commission (NCUC), the U.S. Securities & Exchange Commission (SEC) and the U.S. Department of Justice under Hart-Scott-Rodino. It is expected to close by mid-2003.

Progress Energy, headquartered in Raleigh, NC, is a Fortune 250 diversified energy company with more than 21,800 megawatts of generation capacity and $8 billion in annual revenues. The company's holdings include two electric utilities (CP&L and Florida Power) and a natural gas distribution company (NCNG) serving more than 2.9 million customers across the Carolinas and Florida. Progress Energy also includes non-regulated operations (Progress Ventures) covering merchant generation, energy marketing and trading, fuel extraction (Progress Fuels), rail services (Progress Rail) and broadband capacity (Progress Telecom). For more information about Progress Energy, visit the company's Web site at http://www.progress-energy.com.

This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve estimates, projections, goals, forecasts, assumptions, risk and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. These risk factors are detailed from time to time in the companies' SEC reports. All such factors are difficult to predict, contain uncertainties that may materially affect actual results, and may be beyond the ability of the company to control or estimate precisely.

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