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**NORTH CAROLINA  
UTILITIES COMMISSION**

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**N.C. Utilities Commission Approves Merger of Duke Energy and Progress Energy**

RALEIGH, N.C. – The North Carolina Utilities Commission announced today its approval of the proposed merger between Duke Energy Corporation and Progress Energy, Inc. The combined company will serve approximately 3 million customers in North Carolina.

“In light of consolidation now underway in the energy sector, we believe this merger will best serve the interests of the state, its taxpayers and energy consumers by keeping jobs here in North Carolina,” said Edward S. Finley, Jr., Chairman of the Utilities Commission. “It seems far preferable for Progress Energy to merge with North Carolina-headquartered Duke Energy than with a company in another state.”

The Commission agreed largely with the recommendations of the Public Staff, an independent state agency representing consumers of regulated utilities. It found the projected benefits of the merger outweighed any anticipated costs and risks. The merger guarantees at least \$650 million in fuel and fuel-related savings to be allocated among utility customers and is expected to produce operating efficiencies to be reflected in future rates.

In addition, the Commission imposed many conditions to protect consumers. It is requiring the merged companies to commit \$16.48 million annually in community and charitable support during the first four years following the merger, as well as \$10 million in energy assistance for low-income customers, \$5 million for workforce development and \$2 million for NC Greenpower, a nonprofit promoting renewable energy. The Commission is also requiring any costs associated with the merger to be paid by the companies and their shareholders – not by North Carolina utility customers.

Today's action does not reduce consumer choice. Current state law bars the two utilities from serving the same areas, and that ban is not changed by the Commission's approval of the merger. The combined company will be the parent to the two utilities that have reliably provided power for many years and will continue to do so in their separate service territories.

The North Carolina Commission will maintain oversight and control over both utilities and their rates, which will remain separate for now.

**Additional information:**

- The Commission's order is based on more than a year of analysis, including:
  - Four public hearings involving 29 witnesses from 26 organizations.
  - Thousands of pages of evidence and legal arguments.
  - Extensive written comments from utility customers.
  - A recommendation approving the merger from the Public Staff.
- The merger application was filed by Duke Energy and Progress Energy on April 4, 2011.

**About the North Carolina Utilities Commission**

The North Carolina Utilities Commission is an agency created in 1891 by the North Carolina General Assembly to regulate the rates and services of public utilities. It is the oldest regulatory body in state government. Today, the Commission regulates providers of energy, telephony services, water, transportation, household goods and more. For additional information on the North Carolina Utilities Commission, visit [www.ncuc.net](http://www.ncuc.net).

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