

Beverly Perdue, Governor

Edward S. Finley, Jr., Chairman



NORTH CAROLINA  
UTILITIES COMMISSION

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### **Settlement Agreement Entered Into in Merger Investigation**

RALEIGH – Today the Staff of the North Carolina Utilities Commission entered into a Settlement Agreement with Duke Energy and the Public Staff – North Carolina Utilities Commission. If approved by the Commission, the agreement will conclude the Commission's investigation arising from the termination of William D. Johnson as CEO of Duke on July 2, 2012.

Salient provisions of the settlement are:

- Duke will make several changes in its top management positions, including naming a new General Counsel and naming a former Progress executive as Executive Vice-President for Regulated Utilities. In addition, James E. Rogers will retire as CEO of Duke on December 31, 2013, as he originally planned to do in conjunction with the merger.
- Duke's Board of Directors will create a CEO and Board Member Search Committee with a balanced number of former Duke and former Progress Board members, plus a new Board member not previously affiliated with either of the two companies. This search committee will identify candidates for the CEO and new Board member positions.
- Duke will create and maintain a new committee of its Board of Directors to meet with the Commission periodically to receive comments from the Commission on the activities and actions of the Duke Board.
- Duke will guarantee that Duke's North Carolina retail ratepayers will receive an additional \$25 million in fuel and fuel-related cost savings over and above the amount that Duke is obligated to provide pursuant to the Commission's Order approving the merger.
- Duke will contribute an additional \$5 million to workforce development and low-income assistance in North Carolina over and above the amount that Duke is obligated to provide pursuant to the Commission's Order approving the merger.
- Duke will maintain at least one thousand (1,000) employees, including the President of Duke Energy North Carolina and the Senior Vice-President of Carolinas Delivery Operations, in Raleigh for at least five (5) years.

The Settlement Agreement will be presented to the Commission for approval at its regular Staff Conference on Monday, December 3, 2012.

**About the North Carolina Utilities Commission**

The North Carolina Utilities Commission is a state 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 movers and other public services. For additional information on the North Carolina Utilities Commission, visit [www.ncuc.net](http://www.ncuc.net).

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