

**OFFICIAL COPY**

**From:** Wbarnet3@ [Redacted - Personal Info]  
**Sent:** Monday, December 5, 2011 7:29 AM  
**To:** dhiaa.jamil@duke-energy.com  
**Cc:** rhodesjt@ [Redacted - Personal Info]  
**Subject:** Re: Nuclear Status 12-5-11

Part 4 of 8  
EN SUB 1017

thanks for sharing...complicated matrix.....we will keep plugging....

In a message dated 12/5/2011 7:27:08 A.M. Eastern Standard Time, Dhiaa.Jamil@duke-energy.com writes:

Thanks.

# Notice of Appeal

**Redacted – Sensitive Nuclear Operations**

## Notice of Appeal

Sorry to add bad news to an otherwise good report.

Dhiaa.

**From:** Wbarnet3@ [Redacted - Personal Info]  
**Sent:** Monday, December 05, 2011 7:12 AM  
**To:** Jamil, Dhiaa M  
**Cc:** Rhodes, Jim [Redacted - Personal Info]  
**Subject:** Re: Nuclear Status 12-5-11

lots of good things among all the challenges...hope good December and great 2012.

In a message dated 12/5/2011 7:07:37 A.M. Eastern Standard Time, Dhiaa.Jamil@duke-energy.com writes:

| December 5, 2011

DUKE\_NCUC\_00001289

DUKE\_NCUC\_00001289-A

# Notice of Appeal

DUKE\_NCUC\_00001290

DUKE\_NCUC\_00001290-A

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Monday, December 5, 2011 7:27 AM  
**To:** Barnet3, W - [Redacted - Personal Info]  
**Cc:** Rhodes, Jim [Redacted - Personal Info]  
**Subject:** RE: Nuclear Status 12-5-11

---

Thanks.

# Notice of Appeal

**Redacted – Sensitive Nuclear Operations**

Dhiaa.

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**From:** Wbarnet3@ [Redacted - Personal Info]  
**Sent:** Monday, December 05, 2011 7:12 AM  
**To:** Jamil, Dhiaa M  
**Cc:** Rhodes, Jim [Redacted - Personal Info]  
**Subject:** Re: Nuclear Status 12-5-11

lots of good things among all the challenges...hope good December and great 2012.

In a message dated 12/5/2011 7:07:37 A.M. Eastern Standard Time, Dhiaa.Jamil@duke-energy.com writes:

December 5, 2011

# Notice of Appeal

DUKE\_NCUC\_00001291

DUKE\_NCUC\_00001291-A

# Notice of Appeal

DUKE\_NCUC\_00001292

DUKE\_NCUC\_00001292-A

**From:** Wbarnet3 [Redacted - Personal Info]  
**Sent:** Monday, December 5, 2011 7:12 AM  
**To:** dhiaa.jamil@duke-energy.com  
**Cc:** rhodesjt@ [Redacted - Personal Info]  
**Subject:** Re: Nuclear Status 12-5-11

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lots of good things among all the challenges...hope good December and great 2012.

In a message dated 12/5/2011 7:07:37 A.M. Eastern Standard Time, Dhiaa.Jamil@duke-energy.com writes:

December 5, 2011

# Notice of Appeal

DUKE\_NCUC\_00001293

DUKE\_NCUC\_00001293-A

# Notice of Appeal

DUKE\_NCUC\_00001294

DUKE\_NCUC\_00001294-A

**From:** Wbarnet3@Redacted - Personal Info  
**Sent:** Friday, December 16, 2011 9:13 AM  
**To:** dhiaa.jamil@duke-energy.com  
**Cc:** rhodesjt@Redacted - Personal Info  
**Subject:** Re: Catawba

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thanks...glad back on track....hope a good week ahead and an uneventful one, too...happy holidays to you and yours.

In a message dated 12/16/2011 9:11:17 A.M. Eastern Standard Time, Dhiaa.Jamil@duke-energy.com writes:

# Notice of Appeal

DUKE\_NCUC\_00001295

DUKE\_NCUC\_00001295-A

# Notice of Appeal

**From:** Jamil, Dhiaa M

**Sent:** Thursday, December 15, 2011 12:23 PM

**To:** Rhodes, Jim - [REDACTED] Bernhardt, Alex - [REDACTED - Personal Info] Reinsch, Jim - [REDACTED - Personal Info] Sharp - [REDACTED] Barnet3, W - [REDACTED]

**Cc:** Rogers, Jim

**Subject:** Catawba

Dear NOC,

# Notice of Appeal

DUKE\_NCUC\_00001296

DUKE\_NCUC\_00001296-A



DUKE\_NCUC\_00001297

DUKE\_NCUC\_00001297-A

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Thursday, December 15, 2011 9:12 PM  
**To:** Rhodes, Jim - [Redacted - Personal Info]  
**Subject:** Re: Catawba

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# Notice of Appeal

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**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Thursday, December 15, 2011 09:02 PM  
**To:** Jamil, Dhiaa M  
**Subject:** Re: Catawba

Dhiaa--  
Just interested, how did this work out?  
Jim--

---

**From:** "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com>  
**To:** "Rhodes, Jim" - [Redacted - Personal Info]; "Bernhardt, Alex" - [Redacted - Personal Info]  
"Reinsch, Jim" [Redacted - Personal Info], Sharp [Redacted - Personal Info]; "Barnet3, W" [Redacted - Personal Info]  
**Cc:** "Rogers, Jim" <Jim.Rogers@duke-energy.com>  
**Sent:** Thursday, December 15, 2011 12:22 PM  
**Subject:** Catawba

Dear NOC,

# Notice of Appeal

DUKE\_NCUC\_00001298

DUKE\_NCUC\_00001298-A

## **Notice of Appeal**

Dhiala

DUKE\_NCUC\_00001299

DUKE\_NCUC\_00001299-A

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Thursday, December 15, 2011 9:03 PM  
**To:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Subject:** Re: Catawba

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Dhiaa--  
Just interested, how did this work out?  
Jim--

---

**From:** "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com>  
**To:** "Rhodes, Jim" - [Redacted - Personal Info]; "Bernhardt, Alex" - [Redacted - Personal Info]  
"Reinsch, Jim" - [Redacted - Personal Info]; Sharp - [Redacted - Personal Info]; "Barnet3, W" - [Redacted - Personal Info]  
**Cc:** "Rogers, Jim" <Jim.Rogers@duke-energy.com>  
**Sent:** Thursday, December 15, 2011 12:22 PM  
**Subject:** Catawba

# Notice of Appeal

DUKE\_NCUC\_00001300

DUKE\_NCUC\_00001300-A

**From:** James Hance Jr. [Redacted - Personal Info]  
**Sent:** Thursday, November 3, 2011 6:06 PM  
**To:** 'Jamil, Dhiaa M' <dhiaa.jamil@duke-energy.com>; 'Ann Gray' [Redacted - Personal Info]  
**Subject:** RE: Resolution

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Sounds like a good idea to me. Jim Hance

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**From:** Jamil, Dhiaa M [mailto:Dhiaa.Jamil@duke-energy.com]  
**Sent:** Thursday, November 03, 2011 9:33 AM  
**To:** Ann Gray [Redacted - Personal Info]  
**Subject:** Resolution

Good morning Ann,

I enjoyed listening to you and the other panelists last night. Thanks for taking time to do it.

I should have approached you with an idea in person, but it was difficult to do so with others around.

The December BOD mtg could very well be the last one for JER as Duke Energy's CEO. I am sure the directors have appropriate plans for recognition.

I wanted to see if you consider it appropriate to name a plant after him. If so, I suggest the Cliffside 6 unit be renamed as the "James E Rogers Cliffside 6 steam station". The plant will be the cleanest pulverized coal plant in the country and represents many of the things he believes in and openly advocates.

I think the idea would be well received by my staff responsible for the plant. This was also briefly discussed among a small group of his staff and I sense support for it.

I do not know if such a thing is appropriate given the current public climate around Edwardsport and the hearings or if there is even an appetite for it among the BOD.

Thanks for your consideration.

Dhiaa.

DUKE\_NCUC\_00001301

DUKE\_NCUC\_00001301-A

**From:** Jim Reinsch [Redacted - Personal Info]  
**Sent:** Thursday, November 3, 2011 4:35 PM  
**To:** Jamil, Dhiaa M <dhiaa.jamil@duke-energy.com>  
**Subject:** Re: Resolution

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Thanks Dhiaa.  
Jim

Sent from my iPhone

On Nov 3, 2011, at 4:32 PM, "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com> wrote:

Here it is Jim.

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**From:** Jamil, Dhiaa M  
**Sent:** Thursday, November 03, 2011 09:33 AM  
**To:** Ann Gray [Redacted - Personal Info]  
**Subject:** Resolution

Good morning Ann,

I enjoyed listening to you and the other panelists last night. Thanks for taking time to do it.

I should have approached you with an idea in person, but it was difficult to do so with others around.

The December BOD mtg could very well be the last one for JER as Duke Energy's CEO. I am sure the directors have appropriate plans for recognition.

I wanted to see if you consider it appropriate to name a plant after him. If so, I suggest the Cliffside 6 unit be renamed as the "James E Rogers Cliffside 6 steam station". The plant will be the cleanest pulverized coal plant in the country and represents many of the things he believes in and openly advocates.

I think the idea would be well received by my staff responsible for the plant. This was also briefly discussed among a small group of his staff and I sense support for it.

I do not know if such a thing is appropriate given the current public climate around Edwardsport and the hearings or if there is even an appetite for it among the BOD.

DUKE\_NCUC\_00001302

DUKE\_NCUC\_00001302-A

Thanks for your consideration.

Dhiaa.

DUKE\_NCUC\_00001303

DUKE\_NCUC\_00001303-A

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Thursday, November 3, 2011 4:32 PM  
**To:** Reinsch, Jim [Redacted - Personal Info]  
**Subject:** Fw: Resolution

---

Here it is Jim.

---

**From:** Jamil, Dhiaa M  
**Sent:** Thursday, November 03, 2011 09:33 AM  
**To:** Ann Gray [Redacted - Personal Info]  
**Subject:** Resolution

Good morning Ann,

I enjoyed listening to you and the other panelists last night. Thanks for taking time to do it.

I should have approached you with an idea in person, but it was difficult to do so with others around. The December BOD mtg could very well be the last one for JER as Duke Energy's CEO. I am sure the directors have appropriate plans for recognition.

I wanted to see if you consider it appropriate to name a plant after him. If so, I suggest the Cliffside 6 unit be renamed as the "James E Rogers Cliffside 6 steam station". The plant will be the cleanest pulverized coal plant in the country and represents many of the things he believes in and openly advocates.

I think the idea would be well received by my staff responsible for the plant. This was also briefly discussed among a small group of his staff and I sense support for it.

I do not know if such a thing is appropriate given the current public climate around Edwardsport and the hearings or if there is even an appetite for it among the BOD.

Thanks for your consideration.

Dhiaa.

DUKE\_NCUC\_00001304

DUKE\_NCUC\_00001304-A



**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Thursday, November 3, 2011 9:33 AM  
**To:** Ann Gray [Redacted - Personal Info]  
**Subject:** Resolution

---

Good morning Ann,

I enjoyed listening to you and the other panelists last night. Thanks for taking time to do it.

I should have approached you with an idea in person, but it was difficult to do so with others around. The December BOD mtg could very well be the last one for JER as Duke Energy's CEO. I am sure the directors have appropriate plans for recognition.

I wanted to see if you consider it appropriate to name a plant after him. If so, I suggest the Cliffside 6 unit be renamed as the "James E Rogers Cliffside 6 steam station". The plant will be the cleanest pulverized coal plant in the country and represents many of the things he believes in and openly advocates.

I think the idea would be well received by my staff responsible for the plant. This was also briefly discussed among a small group of his staff and I sense support for it.

I do not know if such a thing is appropriate given the current public climate around Edwardsport and the hearings or if there is even an appetite for it among the BOD.

Thanks for your consideration.

Dhiaa.

DUKE\_NCUC\_00001305

DUKE\_NCUC\_00001305-A

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Thursday, November 3, 2011 9:06 AM  
**To:** Rhodes, Jim - [Redacted - Personal Info]  
**Subject:** RE: Resolution

---

Thanks for the direct and honest feedback, Jim. I agree and thought crossed my mind relative to Edsport.  
Have a great day.  
Dhiaa.

---

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Thursday, November 03, 2011 9:04 AM  
**To:** Jamil, Dhiaa M  
**Subject:** Re: Resolution

Interesting idea, Dhiaa. Unfortunately, in the present public climate for Duke swirling with rate cases and Edwardsport, I'm not sure how the Board would react. Frankly, if the public climate were different, I believe it would be more appropriate to name Edwardsport for Jim since he was truly the "father" of that advanced plant, but now is certainly not the time for that.

You might talk to Ann Gray about it. She not only is taking the lead in planning an event to honor Jim, but would have a good feel for the likely Board reaction to naming a plant for Jim in the near future.

Jim--

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**From:** "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com>  
**To:** "Rhodes, Jim" [Redacted - Personal Info]  
**Sent:** Thursday, November 3, 2011 8:44 AM  
**Subject:** Resolution

Good morning Jim,  
I would like to float an idea for consideration.  
The December BOD mtg could very well be the last one for JER as Duke Energy's CEO. I am sure the directors have appropriate plans for recognition.  
I wanted to see if you consider it appropriate to name a plant after him. If so, I suggest the Cliffside 6 unit be renamed as the "James E Rogers Cliffside 6 steam station". The plant will be the cleanest pulverized coal plant in the country and represents many of the things he believes in and openly advocates.  
I think the idea would be well received by my staff responsible for the plant. This was also briefly discussed among a small group of his staff and I sense support for it.  
I do not know if such a thing is appropriate and or if it would start an unreasonable precedence.  
Thanks for your consideration.  
Dhiaa.

DUKE\_NCUC\_00001306

DUKE\_NCUC\_00001306-A

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Thursday, November 3, 2011 9:04 AM  
**To:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Subject:** Re: Resolution

---

Interesting idea, Dhiaa. Unfortunately, in the present public climate for Duke swirling with rate cases and Edwardsport, I'm not sure how the Board would react. Frankly, if the public climate were different, I believe it would be more appropriate to name Edwardsport for Jim since he was truly the "father" of that advanced plant, but now is certainly not the time for that.

You might talk to Ann Gray about it. She not only is taking the lead in planning an event to honor Jim, but would have a good feel for the likely Board reaction to naming a plant for Jim in the near future.

Jim--

---

**From:** "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com>  
**To:** "Rhodes, Jim" [Redacted - Personal Info]  
**Sent:** Thursday, November 3, 2011 8:44 AM  
**Subject:** Resolution

Good morning Jim,

I would like to float an idea for consideration.

The December BOD mtg could very well be the last one for JER as Duke Energy's CEO. I am sure the directors have appropriate plans for recognition.

I wanted to see if you consider it appropriate to name a plant after him. If so, I suggest the Cliffside 6 unit be renamed as the "James E Rogers Cliffside 6 steam station". The plant will be the cleanest pulverized coal plant in the country and represents many of the things he believes in and openly advocates.

I think the idea would be well received by my staff responsible for the plant. This was also briefly discussed among a small group of his staff and I sense support for it.

I do not know if such a thing is appropriate and or if it would start an unreasonable precedence.

Thanks for your consideration.

Dhiaa.

DUKE\_NCUC\_00001307

DUKE\_NCUC\_00001307-A

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Thursday, November 3, 2011 8:44 AM  
**To:** Rhodes, Jim [Redacted - Personal Info]  
**Subject:** Resolution

---

Good morning Jim,

I would like to float an idea for consideration.

The December BOD mtg could very well be the last one for JER as Duke Energy's CEO. I am sure the directors have appropriate plans for recognition.

I wanted to see if you consider it appropriate to name a plant after him. If so, I suggest the Cliffside 6 unit be renamed as the "James E Rogers Cliffside 6 steam station". The plant will be the cleanest pulverized coal plant in the country and represents many of the things he believes in and openly advocates.

I think the idea would be well received by my staff responsible for the plant. This was also briefly discussed among a small group of his staff and I sense support for it.

I do not know if such a thing is appropriate and or if it would start an unreasonable precedence.

Thanks for your consideration.

Dhiaa.

DUKE\_NCUC\_00001308

DUKE\_NCUC\_00001308-A

**Subject:** Special Telephonic Corporate Governance Committee Meeting

**Start:** 2/13/2012 9:00 AM

**End:** 2/13/2012 10:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Ann M. Gray; Michael Browning; Dan DiMicco; Redacted - Personal Info  
Rogers, Jim; Manly, Marc E; Maltz, David S

**Optional Attendees:** Bonny Light; Kieca Pointdujour; Redacted - Personal Info; Currence, Kathy  
K; Sims, Bobbie A; Garrett, Debby

**When:** Monday, February 13, 2012 9:00 AM-10:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*

Special one-hour telephonic Corporate Governance Committee meeting to discuss responses to shareholder proposals and to review the results of Jim Rogers' performance evaluation and determine the performance scores for his individual objectives. Only the Committee members will participate in the second part of this meeting. An agenda and materials will be distributed prior to the meeting date.

Ann will initiate the call using David's moderator code below in order for the committee to continue the meeting in executive session.

Dial-In Information

Charlotte: Redacted - Personal Info

Toll Free: Redacted - Personal Info

Participant Code: Redacted - Personal Info

Moderator: Redacted - Personal Info (David Maltz)

DUKE\_NCUC\_00001309

DUKE\_NCUC\_00001309-A

**Subject:** Special Telephonic Duke Energy Compensation Committee Meeting

**Location:** In-house Participants – DEC4829

**Start:** 3/19/2012 9:00 AM

**End:** 3/19/2012 10:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Jim Hance; Dan DiMico; [Redacted - Personal Info]; John Forsgren; Ann M. Gray; Beverly W. Aisenbrey; [Redacted - Personal Info]; Rogers, Jim; Manly, Marc E; Weber, Jennifer; Ringel, Robert J

**Optional Attendees:** Sandra Thrower; [Redacted - Personal Info]; Kieca Pointdujour; [Redacted - Personal Info]; Currence, Kathy K; Shannon, Patty; Kennedy, Karla D; Sims, Bobbie A

**Resources:** In-house Participants – DEC4829

**When:** Monday, March 19, 2012 9:00 AM-10:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants -- DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

A one-hour special telephonic Compensation Committee meeting will be held on Monday, March 19, from 9:00am to 10:00am. The purpose of this call is to review and approve the Compensation Discussion and Analysis to be included in the 2012 Proxy Statement. You will be notified when the agenda and other information are available for your review in BoardVantage.

Please use the dial-in information set forth below:

Charlotte – [Redacted - Personal Info]  
Toll Free – [Redacted - Personal Info]  
Participant Code – [Redacted - Personal Info]  
Host Code (Bob Ringel) – [Redacted - Personal Info]

DUKE\_NCUC\_00001310

DUKE\_NCUC\_00001310-A

**Subject:** Special Telephonic Duke Energy Audit Committee Meeting (Form 10-K)

**Location:** In-house Participants -- DEC4829

**Start:** 2/21/2012 3:00 PM

**End:** 2/21/2012 4:00 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** 'Michael Browning'; Bernhardt, Alex - bernhardt; 'John H. Forsgren'; Rhodes, Jim  
[Redacted - Personal Info]; Rogers, Jim; Good, Lynn J; Manly, Marc E; Young, Steve K; Maltz, David  
S; Browning, Jeff; 'jepoch[Redacted - Personal Info]'; 'cmuha[Redacted - Personal Info]'; 'Bonny Light';  
'Linda Canipe'; 'Marilyn Voigt [Redacted - Personal Info]'; Currence, Kathy K; Seaford, Robin T;  
Sims, Bobbie A; Cauble, Robyn W; Kimbro, Emily H; Garrett, Debby; [Redacted - Personal Info], Sharp  
[Redacted - Personal Info]

**Resources:** In-house Participants -- DEC4829

**When:** Tuesday, February 21, 2012 3:00 PM-4:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants -- DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Special telephonic Audit Committee meeting to discuss the Form 10-K. Materials will be available prior to the meeting date.

Dial-In Information

**Charlotte:** [Redacted - Personal Info]  
**Toll Free:** [Redacted - Personal Info]  
**Participant Code:** [Redacted - Personal Info]

**Moderator:** [Redacted - Personal Info] (David Maltz)

DUKE\_NCUC\_00001311

DUKE\_NCUC\_00001311-A

**Subject:** Special Telephonic Duke Energy Audit Committee Meeting (4Q Earnings)

**Location:** In-house Participants -- DEC4829

**Start:** 2/14/2012 11:00 AM

**End:** 2/14/2012 12:00 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** 'Michael Browning'; Bernhardt, Alex - bernhardt; 'John H. Forsgren'; Rhodes, Jim  
[Redacted - Personal Info] Rogers, Jim; Good, Lynn J; Manly, Marc E; Young, Steve K; Maltz, David  
S; Browning, Jeff; 'jenochi'; [Redacted - Personal Info]; 'cmuha'; [Redacted - Personal Info]; 'Bonny Light';  
'Linda Canipe'; 'Marilyn Voigt'; [Redacted - Personal Info]; Currence, Kathy K; Seaford, Robin T;  
Sims, Bobbie A; Cauble, Robyn W; Kimbro, Emily H; Garrett, Debby; [Redacted - Personal Info] Sharp  
[Redacted - Personal Info]

**Resources:** In-house Participants -- DEC4829

**When:** Tuesday, February 14, 2012 11:00 AM-12:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants -- DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Special telephonic Audit Committee meeting to discuss the fourth quarter earnings. Materials will be available prior to the meeting date.

Dial-In Information

**Charlotte:** [Redacted - Personal Info]

**Toll Free:** [Redacted - Personal Info]

**Participant Code:** [Redacted - Personal Info]

**Moderator:** [Redacted - Personal Info] (David Maltz)

DUKE\_NCUC\_00001312

DUKE\_NCUC\_00001312-A



**Subject:** Special Telephonic Duke Energy Board Meeting

**Location:** In-house participants to meet in Marc Manly's office

**Start:** 12/20/2011 8:00 AM

**End:** 12/20/2011 9:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (James Hance; [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info]; John Forsgren; Bernhardt, Alex - [Redacted - Personal Info]; Ann M. Gray; Dan DiMicco [Redacted - Personal Info]; Rhodes, Jim [Redacted - Personal Info]; Jim Hance; Michael Browning; [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Bamet3, W [Redacted - Personal Info]; Rogers, Jim; Manly, Marc E; Good, Lynn J; Maltz, David S; SARosenblum [Redacted - Personal Info]; Currence, Kathy K; Sims, Bobbie A; Seaford, Robin T; Garrett, Debby

**Optional Attendees:** Bonny Light; Elizabeth Gilliam [Redacted - Personal Info]; Joyce Hiott; Kieca Pointdujour [Redacted - Personal Info]; Linda Canipe; Marilyn Voigt [Redacted - Personal Info]; Sandra S Thrower; Sandra Thrower [Redacted - Personal Info]

**Resources:** In-house participants to meet in Marc Manly's office

**When:** Tuesday, December 20, 2011 8:00 AM-9:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house participants to meet in Marc Manly's office

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

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A special telephonic Duke Energy Board meeting will be held on Tuesday, December 20, from 8:00am to 9:00am. The purpose of this meeting will be to provide an update on the merger and to discuss the recent Order issued by the Federal Energy Regulatory Commission. I will notify you when the agenda and other information are available for your review in BoardVantage.

Dial-In Information

**Charlotte:** [Redacted - Personal Info]  
**Other Locations:** [Redacted - Personal Info]  
**Participant Code:** [Redacted - Personal Info]

**Moderator:** [Redacted - Personal Info] (Marc Manly)

DUKE\_NCUC\_00001313

DUKE\_NCUC\_00001313-A

DUKE\_NCUC\_00001314

DUKE\_NCUC\_00001314-A

**Subject:** Special Telephonic Duke Energy Board Meeting

**Location:** In-house Participants -- DEC4829

**Start:** 2/6/2012 10:00 AM

**End:** 2/6/2012 11:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (James Hance; [Redacted - Personal Info]; Reinsch, Jim; [Redacted - Personal Info]; John Forsgren; Bernhardt, Alex; [Redacted - Personal Info]; Ann M. Gray; Dan DiMicco; [Redacted - Personal Info]; Rhodes, Jim; [Redacted - Personal Info]; Jim Hance; Michael Browning; [Redacted - Personal Info]; Sharp; [Redacted - Personal Info]; Barnett3, W; [Redacted - Personal Info]; Rogers, Jim; Manly, Marc E; Good, Lynn J; Jamil, Dhiaa M; Currence, Kathy K; Sims, Bobbie A; Seaford, Robin T; Rome, Debbie S

**Optional Attendees:** Bonny Light; Elizabeth Gilliam; [Redacted - Personal Info]; Joyce Hiott; Kieca Pointdujour; [Redacted - Personal Info]; Linda Canipe; Marilyn Voigt; [Redacted - Personal Info]; Sandra S Thrower; Sandra Thrower; [Redacted - Personal Info]; Maltz, David S; Garrett, Debby

**Resources:** In-house Participants -- DEC4829

**When:** Monday, February 06, 2012 10:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants -- DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

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A special telephonic Duke Energy Board meeting will be held on Monday, February 6, from 10am to 11am. The purpose of this meeting will be to prepare the Board on the issues that will be discussed at the February 13 special in-person Board meeting. I will notify you when the agenda and other information are available for your review in BoardVantage.

Dial-In Information

**Charlotte:** [Redacted - Personal Info]  
**Other Locations:** [Redacted - Personal Info]  
**Participant Code:** [Redacted - Personal Info]

**Moderator:** [Redacted - Personal Info] (Marc Manly)

DUKE\_NCUC\_00001315

DUKE\_NCUC\_00001315-A

DUKE\_NCUC\_00001316

DUKE\_NCUC\_00001316-A

**Subject:** Special In-Person Duke Energy Board Meeting

**Location:** In-house Participants -- DEC4829

**Start:** 2/13/2012 10:00 AM

**End:** 2/13/2012 12:00 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (James Hance; [Redacted - Personal Info]; Reinsch, Jim; [Redacted - Personal Info]; John Forsgren; Bernhardt, Alex - [Redacted - Personal Info]; Ann M. Gray; Dan DiMicco; [Redacted - Personal Info]; Rhodes, Jim; [Redacted - Personal Info]; Jim Hance; Michael Browning; [Redacted - Personal Info]; Sharp; [Redacted - Personal Info]; Barnett3, W - [Redacted - Personal Info]; Rogers, Jim; Manly, Marc E; Good, Lynn J; Jamil, Dhiaa M; Trent, Keith; Weber, Jennifer; (SARosenblum; [Redacted - Personal Info]; Currence, Kathy K; Sims, Bobbie A; Seaford, Robin T; Rome, Debbie S; Bolan, Deb K; Shannon, Patty; Maltz, David S; Garrett, Debby

**Optional Attendees:** Bonny Light; Elizabeth Gilliam; [Redacted - Personal Info]; Joyce Hiott; Kieca Pointdujour; [Redacted - Personal Info]; Linda Canipe; Marilyn Voigt; [Redacted - Personal Info]; Sandra S Thrower; Sandra Thrower; [Redacted - Personal Info]

**Resources:** In-house Participants -- DEC4829

**When:** Monday, February 13, 2012 10:00 AM-12:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants -- DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

A special in-person Duke Energy Board meeting will be held on Monday, February 13, from 10:00am to 12:00pm; therefore, you may release the February 6 date from your calendars. The purpose of this meeting will be to discuss the Federal Energy Regulatory Commission mitigation plan. I will notify you when the agenda and other information are available for your review in BoardVantage.

Debby Garrett will email you shortly so she can help plan your travel arrangements and hotel accommodations, as necessary.

Below is the dial-in information for the meeting, should a conflict arise and prevent you from attending in person:

DUKE\_NCUC\_00001317

DUKE\_NCUC\_00001317-A

Dial-In Information

Charlotte:

Redacted - Personal Info

Other Locations:

Redacted - Personal Info

Participant Code:

Redacted - Personal Info

Moderator:

Redacted - Personal Info

(Marc Manly)

DUKE\_NCUC\_00001318

DUKE\_NCUC\_00001318-A

**Subject:** Special Telephonic Duke Energy Compensation Committee Meeting

**Location:** In-house Participants -- DEC4829

**Start:** 2/13/2012 8:00 AM

**End:** 2/13/2012 9:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Jim Hance; DiMicco, Dan; John Forsgren; Ann M. Gray; Rogers, Jim; Weber, Jennifer; Good, Lynn J; Manly, Marc E; Ringel, Robert J; Beverly Aisenbrey; Sandra Thrower; [Redacted - Personal Info] Kieca Pointdujour  
[Redacted - Personal Info] Currence, Kathy K; Shannon, Patty; Seaford, Robin T; Kennedy, Karla D; Sims, Bobbie A

**Resources:** In-house Participants -- DEC4829

**When:** Monday, February 13, 2012 8:00 AM-9:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants -- DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

A one-hour special telephonic Compensation Committee meeting will be held on Monday, February 13, from 8:00am to 9:00am. The purpose of this call will be to approve financial targets for the 2012 incentive plans. You will be notified when the agenda and other information are available for your review in BoardVantage.

Please use the dial-in information set forth below:

Charlotte -- [Redacted - Personal Info]  
Toll Free -- [Redacted - Personal Info]  
Participant Code -- [Redacted - Personal Info]  
Host Code (Bob Ringel) -- [Redacted - Personal Info]

DUKE\_NCUC\_00001319

DUKE\_NCUC\_00001319-A

**Subject:** Special Telephonic Duke Energy Board Meeting

**Location:** In-house Participants -- DEC4829

**Start:** 1/19/2012 4:30 PM

**End:** 1/19/2012 6:00 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (James Hance [Redacted - Personal Info]); Reinsch, Jim [Redacted - Personal Info]; John Forsgren; Bernhardt, Alex [Redacted - Personal Info]; Ann M. Gray; Dan DiMicco [Redacted - Personal Info]; Rhodes, Jim [Redacted - Personal Info]; Jim Hance; Michael Browning [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Baret3, W [Redacted - Personal Info]; Rogers, Jim; Manty, Marc E; Good, Lynn J; Jamil, Dhiaa M; Maltz, David S; Currence, Kathy K; Sims, Bobbie A; Seaford, Robin T; Rome, Debbie S; Garrett, Debby

**Optional Attendees:** Bonny Light; Elizabeth Gilliam [Redacted - Personal Info]; Joyce Hiott; Kieca Pointdujour [Redacted - Personal Info]; Linda Canipe; Marilyn Voigt [Redacted - Personal Info]; Sandra S Thrower; Sandra Thrower [Redacted - Personal Info]

**Resources:** In-house Participants -- DEC4829

**When:** Thursday, January 19, 2012 4:30 PM-6:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants -- DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

A special telephonic Duke Energy Board meeting will be held on Thursday, January 19, from 4:30pm to 6:00pm. The purpose of this meeting will be to discuss Progress' request for consent under the merger agreement for entering into a settlement in Florida with respect to issues concerning Crystal River 3, the Levy nuclear plant, and a general rate case. I will notify you when the agenda and other information are available for your review in BoardVantage.

Dial-In Information

**Charlotte:** [Redacted - Personal Info]  
**Other Locations:** [Redacted - Personal Info]  
**Participant Code:** [Redacted - Personal Info]

DUKE\_NCUC\_00001320

DUKE\_NCUC\_00001320-A



Moderator: Redacted - Personal Info (Marc Manly)

DUKE\_NCUC\_00001321

DUKE\_NCUC\_00001321-A

**Subject:** Special Telephonic Duke Energy Board Meeting re: Merger Status Update

**Location:** In-house Participants Meet in DEC4829

**Start:** 5/30/2012 8:00 AM

**End:** 5/30/2012 11:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (James Hance [Redacted - Personal Info] Reinsch, Jim [Redacted - Personal Info] John Forsgren; Bernhardt, Alex [Redacted - Personal Info] Ann M. Gray; Dan DiMicco [Redacted - Personal Info] Rhodes, Jim [Redacted - Personal Info] Jim Hance; Michael Browning; [Redacted - Personal Info] Sharp [Redacted - Personal Info] Barnett3, W [Redacted - Personal Info] Rogers, Jim; Manly, Marc E; Good, Lynn J; Maltz, David S

**Optional Attendees:** Bonny Light; Joyce Hiott; Kieca Pointdujour [Redacted - Personal Info]; Linda Canipe; Marilyn Voigt [Redacted - Personal Info] Sandra S Thrower; Sandra Thrower [Redacted - Personal Info] Currence, Kathy K; Miller, Monica L; Sims, Bobbie A; Seaford, Robin T; Garrett, Debby

**Resources:** In-house Participants Meet in DEC4829

**When:** Wednesday, May 30, 2012 8:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants Meet in DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

A special telephonic Duke Energy Board meeting will be held on Wednesday, May 30, from 8:00am to 11:00am. The purpose of this meeting will be to provide an update on the status of the merger. I will notify you when the agenda and other information are available for your review in BoardVantage. This meeting is still tentative, but we wanted to get it on everyone's calendars in order to free up all of the other times that are being held.

Dial-In Information

**Charlotte and International:** [Redacted - Personal Info]  
**Other Locations:** [Redacted - Personal Info]  
**Participant Code:** [Redacted - Personal Info]

**Moderator:** [Redacted - Personal Info] (Marc Manly)

DUKE\_NCUC\_00001322

DUKE\_NCUC\_00001322-A

DUKE\_NCUC\_00001323

DUKE\_NCUC\_00001323-A

**Subject:** Tentative Special Telephonic Duke Energy Board Meeting re Edwardsport Settlement

**Location:** In-house participants to meet in DEC 4829

**Start:** 4/26/2012 4:00 PM

**End:** 4/26/2012 5:00 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (James Hance [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info]; John Forsgren; Bernhardt, Alex [Redacted - Personal Info]; Ann M. Gray; Rhodes, Jim [Redacted - Personal Info]; Jim Hance; Michael Browning; [Redacted - Personal Info] Sharp [Redacted - Personal Info]; Barnet3, W [Redacted - Personal Info]; Rogers, Jim; Manly, Marc E; Maltz, David S

**Optional Attendees:** Bonny Light; Joyce Hiott; Linda Canipe; Marilyn Voigt [Redacted - Personal Info]; Sandra S Thrower; Sandra Thrower [Redacted - Personal Info]; Currence, Kathy K; Sims, Bobbie A; Garrett, Debby

**Resources:** In-house participants to meet in DEC 4829

**When:** Thursday, April 26, 2012 4:00 PM-5:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house participants to meet in DEC 4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*\*\*\*\*

Please hold Thursday, April 26, from 4:00pm to 5:00pm for a possible special telephonic Duke Energy Board meeting. The purpose of this meeting will be to discuss and approve a potential Edwardsport settlement, depending on the outcome of the negotiations this week.

Dial-In Information

**Charlotte:** [Redacted - Personal Info]  
**Other Locations:** [Redacted - Personal Info]  
**Participant Code:** [Redacted - Personal Info]

**Moderator:** [Redacted - Personal Info] (Marc Manly)

DUKE\_NCUC\_00001324

DUKE\_NCUC\_00001324-A

**Subject:** FW: Special Telephonic Corporate Governance Committee Meeting -- Executive Session Only

**Location:** Telephonic Meeting

**Start:** 5/21/2012 4:00 PM

**End:** 5/21/2012 5:00 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Manly, Marc E; Maltz, David S; Sims, Bobbie A; Garrett, Debby

**Resources:** Telephonic Meeting

**When:** Monday, May 21, 2012 4:00 PM-5:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** Telephonic Meeting

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

-----Original Appointment-----

**From:** Harrington, Sue C

**Sent:** Monday, May 14, 2012 11:07 AM

**To:** Ann Gray; Michael Browning; Dan DiMicco; Redacted - Personal Info

**Cc:** Bonny Light; Kieca Pointdujour; Redacted - Personal Info

**Subject:** Special Telephonic Corporate Governance Committee Meeting -- Executive Session Only

**When:** Monday, May 21, 2012 4:00 PM-5:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** Telephonic Meeting

A one-hour special telephonic Corporate Governance Committee meeting will be held on Monday, May 21, from 4:00pm to 5:00pm. The purpose of this call is for the Committee to meet in an Executive Session. You will be notified when the agenda is available for your review in BoardVantage.

Ann will initiate the call using Marc's moderator code, and everyone else should use the participant code.

DUKE\_NCUC\_00001325

DUKE\_NCUC\_00001325-A

Dial-In Information

Charlotte:

[Redacted - Personal Info]

Other Locations:

[Redacted - Personal Info]

Participant Code:

[Redacted - Personal Info]

Moderator:

[Redacted - Personal Info]

(Marc Manly)

DUKE\_NCUC\_00001326

DUKE\_NCUC\_00001326-A

**Subject:** FW: Special Telephonic Duke Energy Board Meeting re: Merger Status Update

**Location:** In-house Participants Meet in DEC4829

**Start:** 5/30/2012 8:00 AM

**End:** 5/30/2012 11:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Rogers, Jim; Manly, Marc E

**Resources:** In-house Participants Meet in DEC4829

**When:** Wednesday, May 30, 2012 8:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants Meet in DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

I am scheduled to be at the Citi investor conference in Boston – but can participate by phone if that is ok.

-----Original Appointment-----

**From:** Harrington, Sue C

**Sent:** Wednesday, May 02, 2012 1:00 PM

**To:** Harrington, Sue C; (James.Hance; [Redacted - Personal Info]; Reinsch, Jim; [Redacted - Personal Info]; John Forsgren; Bernhardt, Alex -

[Redacted - Personal Info]; Ann M. Gray; Dan DiMicco; [Redacted - Personal Info]; Rhodes, Jim; [Redacted - Personal Info]; Jim Hance;

Michael Browning; [Redacted - Personal Info]; Sharp - [Redacted - Personal Info]; Barnett3, W; [Redacted - Personal Info]; Rogers, Jim; Manly, Marc E; Good, Lynn J;

Maltz, David S

**Cc:** Bonny Light; Joyce Hiott; Kieca Pointdujour; [Redacted - Personal Info]; Linda Canipe; Marilyn

Voigt; [Redacted - Personal Info]; Sandra S Thrower; Sandra Thrower; [Redacted - Personal Info]; Currence, Kathy

K; Miller, Monica L; Sims, Bobbie A; Seaford, Robin T; Garrett, Debby

**Subject:** Special Telephonic Duke Energy Board Meeting re: Merger Status Update

**When:** Wednesday, May 30, 2012 8:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants Meet in DEC4829

**When:** Wednesday, May 30, 2012 8:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants Meet in DEC4829

DUKE\_NCUC\_00001327

DUKE\_NCUC\_00001327-A

Note: The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

A special telephonic Duke Energy Board meeting will be held on Wednesday, May 30, from 8:00am to 11:00am. The purpose of this meeting will be to provide an update on the status of the merger. I will notify you when the agenda and other information are available for your review in BoardVantage. This meeting is still tentative, but we wanted to get it on everyone's calendars in order to free up all of the other times that are being held.

Dial-In Information

Charlotte and International:

Redacted - Personal Info

Other Locations:

Redacted - Personal Info

Participant Code:

Redacted - Personal Info

Moderator:

Redacted - Personal Info

(Marc Manly)

DUKE\_NCUC\_00001328

DUKE\_NCUC\_00001328-A



**From:** Weber, Jennifer <Jennifer.Weber@duke-energy.com>  
**Sent:** Tuesday, May 1, 2012 8:45 PM  
**To:** Manly, Marc E <Marc.Manly@duke-energy.com>; Ringel, Robert J <Robert.Ringel@duke-energy.com>  
**Subject:** Fw: Impact of Edwpt Impairment

---

## Redacted - Privilege

**From:** James Hance Jr. [Redacted - Personal Info]  
**Sent:** Tuesday, May 01, 2012 07:40 PM  
**To:** Weber, Jennifer  
**Subject:** RE: Impact of Edwpt Impairment

## Notice of Appeal

**From:** Weber, Jennifer [mailto:Jennifer.Weber@duke-energy.com]  
**Sent:** Tuesday, May 01, 2012 4:17 PM  
**To:** Jim Hance [Redacted - Personal Info]; James Hance  
**Subject:** Impact of Edwpt Impairment

Jim,

# Notice of Appeal

*Jennifer L. Weber*, Group Executive  
Human Resources & Corporate Relations  
550 South Tryon Street, DEC48E  
Charlotte, North Carolina 28202  
Phone: [Redacted - Personal Info]  
Jennifer.Weber@duke-energy.com



DUKE\_NCUC\_00001329

DUKE\_NCUC\_00001329-A

**From:** John H. Forsgren [Redacted - Personal Info]  
**Sent:** Monday, June 25, 2012 9:13 AM  
**To:** 'Good, Lynn J' <Lynn.Good@duke-energy.com>  
**Cc:** 'Ann Maynard Gray' [Redacted - Personal Info] 'Rogers, Jim' <Jim.Rogers@duke-energy.com>  
**Subject:** Share Prices

---

Lynn – During the course of our discussions on the merger, could you give us an analysis of the share price movements of Duke and Progress since the merger announcement and the effects on economics of the merger. Thanks.

DUKE\_NCUC\_00001330

DUKE\_NCUC\_00001330-A

**From:** Wbarnet3 [Redacted - Personal Info]  
**Sent:** Friday, June 22, 2012 1:10 PM  
**To:** Dhiaa.Jamil@duke-energy.com  
**Cc:** Jim.Rogers@duke-energy.com  
**Subject:** Re: FW: 8 Rivers NET Power company secures Toshiba partnering on NET Power

---

thanks...will read...though think this well above my "pay grade" from technical perspective. Interesting....this was meeting I was asked to help initiate.....see you Sunday eve.

In a message dated 6/22/2012 12:58:55 P.M. Eastern Daylight Time, Dhiaa.Jamil@duke-energy.com writes:

Hi Bill,

I realize you did not want a response on the note, but since I was not familiar with the group, I asked around and wanted to share what I found. It turns out that Duke did a fairly detailed evaluation of this technology about a year ago and provided a report (attached). David Mohler highlights some points below. I highlighted the conclusion section. As you probably know, we evaluate a large number of such concepts on a continuous basis. We move forward with some and pass on many of them. It appears that our team did not judge this one as good fit. Please see some of the reasons below. I can follow up with you further if you feel we missed something here.

Thanks and will see you in couple of days.

Dhiaa.

---

**From:** Mohler, David W  
**Sent:** Friday, June 22, 2012 12:32 PM  
**To:** Jamil, Dhiaa M  
**Subject:** FW: 8 Rivers NET Power company secures Toshiba partnering on NET Power

Dhiaa--

# Confidential

DUKE\_NCUC\_00001331

DUKE\_NCUC\_00001331-A

# Confidential

DUKE\_NCUC\_00001332

DUKE\_NCUC\_00001332-A

At the appropriate time, they would like to discuss the potential for Duke to host a pilot site for their technology.

They expressed an interest in leveraging our relationships with Chinese and Asian companies to further development of their technology.

---

**From:** Jamil, Dhiaa M  
**Sent:** Friday, June 22, 2012 8:56 AM  
**To:** Pulskamp, Barry E; Mohler, David W  
**Subject:** FW: 8 Rivers NET Power company secures Toshiba partnering on NET Power

Do either one of you have details on our involvement with this group, reason we were not interested?

---

**From:** Wbarnet3; **Redacted - Personal Info**  
**Sent:** Friday, June 22, 2012 8:10 AM  
**To:** Jamil, Dhiaa M  
**Cc:** Rogers, Jim  
**Subject:** Fwd: 8 Rivers NET Power company secures Toshiba partnering on NET Power

just as info.

long story and can fill in Sunday eve.

This gentleman, Lanty Smith, was once head of Burlington Industries and was Chair of Wachovia...he pushed me on this technology last year....I arranged, thru someone on the team, to get them a hearing with DUK to assess DUK interest in what they were promoting...he later thanked me for arranging visit, but said DUK showed little interest....now Exelon and Shaw and others seem to be pursuing..

Not criticizing or commenting...just to present the fact that someone seems to think it is worthy of investment...and that DUK team did get a look and , apparently, passed.

see you in couple of days.

DUKE\_NCUC\_00001333

DUKE\_NCUC\_00001333-A

From: lsmith [Redacted - Personal Info]

To: Wbarnet3 [Redacted - Personal Info]

Sent: 6/19/2012 12:02:46 P.M. Eastern Daylight Time

Subj: 8 Rivers NET Power company secures Toshiba partnering on NET Power

DUKE\_NCUC\_00001334

DUKE\_NCUC\_00001334-A

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Friday, June 22, 2012 12:59 PM  
**To:** Barnet3, W [Redacted - Personal Info]  
**Cc:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** FW: 8 Rivers NET Power company secures Toshiba partnering on NET Power  
**Attach:** Net Power LLC (Palmer Labs) 2-18-11 Trip Report & Final Tech. Report.docx

---

Hi Bill,

I realize you did not want a response on the note, but since I was not familiar with the group, I asked around and wanted to share what I found. It turns out that Duke did a fairly detailed evaluation of this technology about a year ago and provided a report (attached). David Mohler highlights some points below. I highlighted the conclusion section. As you probably know, we evaluate a large number of such concepts on a continuous basis. We move forward with some and pass on many of them. It appears that our team did not judge this one as good fit. Please see some of the reasons below. I can follow up with you further if you feel we missed something here.

Thanks and will see you in couple of days.

Dhiaa.

---

**From:** Mohler, David W  
**Sent:** Friday, June 22, 2012 12:32 PM  
**To:** Jamil, Dhiaa M  
**Subject:** FW: 8 Rivers NET Power company secures Toshiba partnering on NET Power

Dhiaa--

# Confidential

DUKE\_NCUC\_00001335

DUKE\_NCUC\_00001335-A

# Confidential

**From:** Jamil, Dhiaa M  
**Sent:** Friday, June 22, 2012 8:56 AM  
**To:** Pulskamp, Barry E; Mohler, David W  
**Subject:** FW: 8 Rivers NET Power company secures Toshiba partnering on NET Power

Do either one of you have details on our involvement with this group, reason we were not interested?

**From:** Wbarnet3; **Redacted - Personal Info**  
**Sent:** Friday, June 22, 2012 8:10 AM  
**To:** Jamil, Dhiaa M  
**Cc:** Rogers, Jim  
**Subject:** Fwd: 8 Rivers NET Power company secures Toshiba partnering on NET Power

just as info.

long story and can fill in Sunday eve.

This gentleman, Lanty Smith, was once head of Burlington Industries and was Chair of Wachovia...he pushed me on this technology last year...I arranged, thru someone on the team, to get them a hearing with DUK to assess DUK interest in what they were promoting...he later thanked me for arranging visit, but said DUK showed little interest....now Exelon and Shaw and others seem to be pursuing..

Not criticizing or commenting...just to present the fact that someone seems to think it is worthy of investment...and that DUK team did get a look and , apparently, passed.

see you in couple of days.

**From:** lsmith; **Redacted - Personal Info**  
**To:** Wbarnet3; **Redacted - Personal Info**  
**Sent:** 6/19/2012 12:02:46 P.M. Eastern Daylight Time  
**Subj:** 8 Rivers NET Power company secures Toshiba partnering on NET Power

DUKE\_NCUC\_00001336

DUKE\_NCUC\_00001336-A



DUKE\_NCUC\_00001337

DUKE\_NCUC\_00001337-A

**NET Power, LLC (Palmer Labs) Generation Technology Summary Report & Trip Assessment  
(Feb. 18, 2011), Durham, NC Visit & Follow-Up Meeting (Apr. 11, 2011), Charlotte, NC -  
4/20/11 – r.1**

Duke Energy: J.A. Miller, T.C. Smith, R.A. Niehaus, M.J. Brown, R.B. Marsan (both dates) – Melisa Johns & Curtis Watkins of the CTO for the Meeting at Duke Energy HQ in Charlotte, NC

8 Rivers Capital LLC (8RC): Miles Palmer, Bill Brown, Jeremy Fetvedt, Bob Walker, Rodney Allam (via conference – live at CLT Meeting); Tippet Capital's Lanty L. Smith; State of North Carolina: J. Donald Hobart – Business & Economic Development Advisor to the N.C. Governor's Office attended the Feb.18, 2011 meeting.

**Note:** Information provided below is subject to the in force NDA between 8 Rivers Capital, LLC (8RC) and Duke Energy Corp. (DE) and is specific to their Net Power Technology development. All information exchanged is confidential, unless otherwise specified, and subject to the terms and conditions of the executed ND agreement dated Feb. 15, 2011.

**Background & Introduction:**

# Confidential

# Confidential

DUKE\_NCUC\_00001339

DUKE\_NCUC\_00001339-A

# Confidential

DUKE\_NCUC\_00001340

DUKE\_NCUC\_00001340-A

# Confidential

DUKE\_NCUC\_00001341

DUKE\_NCUC\_00001341-A

# Confidential

DUKE\_NCUC\_00001342

DUKE\_NCUC\_00001342-A

# Confidential

DUKE\_NCUC\_00001343

DUKE\_NCUC\_00001343-A

# Confidential

DUKE\_NCUC\_00001344

DUKE\_NCUC\_00001344-A



**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Friday, June 22, 2012 8:10 AM  
**To:** Dhiaa.Jamil@duke-energy.com  
**Cc:** jim.rogers@duke-energy.com  
**Subject:** Fwd: 8 Rivers NET Power company secures Toshiba partnering on NET Power  
**Attach:** ToshibaJoinsNETPower, Shaw, Exelon.pdf

---

just as info.

long story and can fill in Sunday eve.

This gentleman, Lanty Smith, was once head of Burlington Industries and was Chair of Wachovia...he pushed me on this technology last year....I arranged, thru someone on the team, to get them a hearing with DUK to assess DUK interest in what they were promoting...he later thanked me for arranging visit, but said DUK showed little interest....now Exelon and Shaw and others seem to be pursuing..

Not criticizing or commenting...just to present the fact that someone seems to think it is worthy of investment...and that DUK team did get a look and , apparently, passed.

see you in couple of days.

---

**From:** lsmith [Redacted - Personal Info]  
**To:** Wbarnet [Redacted - Personal Info]  
**Sent:** 6/19/2012 12:02:46 P.M. Eastern Daylight Time  
**Subj:** 8 Rivers NET Power company secures Toshiba partnering on NET Power

DUKE\_NCUC\_00001345

DUKE\_NCUC\_00001345-A



# News Release

FOR IMMEDIATE RELEASE

Media Contact:

Walker Dimmig

Redacted - Personal Info

Walker.Dimmig@Redacted - Personal Info

## **Toshiba Joins NET Power, Shaw, and Exelon to Develop New Power Generation Technology**

**Durham, N.C., June 15, 2012** – NET Power LLC today announced that Toshiba Corporation (TOKYO: 6502), a world-class technology manufacturer, has joined The Shaw Group (NYSE: SHAW), a leading global engineering services firm, and Exelon Corporation (NYSE: EXC), the leading U.S. competitive energy provider, to develop NET Power's novel, clean, gas-fired power generation technology. Last week, Shaw announced that it was making a substantial investment in NET Power LLC.

NET Power's system generates lower cost electricity while producing little-to-no air emissions. The technology utilizes a new, oxyfuel, high pressure, supercritical carbon dioxide cycle—named the Allam Cycle after lead inventor Rodney Allam. Unlike traditional carbon capture technologies, the NET Power cycle inherently produces pipeline-ready CO<sub>2</sub> for sequestration or use in enhanced oil recovery (EOR) without reducing plant efficiency or increasing costs. EOR is a decades-old technology that uses carbon dioxide to extract stranded oil from mature oil fields while sequestering carbon dioxide below ground. The US Department of Energy estimates that nearly 84 billion barrels of oil are recoverable using EOR in the US and 500 billion to 1 trillion barrels are recoverable worldwide; however, current sources of CO<sub>2</sub> for EOR are only meeting a small fraction of that need, as most industrial CO<sub>2</sub> capture technologies cannot produce cost-effective, EOR-ready CO<sub>2</sub>. NET Power's technology will have both the capacity and economics to enable the EOR industry to unlock this vast resource while simultaneously sequestering large quantities of carbon dioxide below ground.

"NET Power's technology is driven first and foremost by its low-cost electricity production, which does not require regulations or additional revenue streams to be highly competitive in the marketplace," said Bill Brown, chief executive officer of NET Power. "By affordably capturing CO<sub>2</sub>, though, NET Power can access the large EOR market, creating substantial added value for NET Power plant owners, providing strong market incentives for CO<sub>2</sub> capture and storage, and enabling large reserves of stranded, domestic oil to be accessed."

Under the current program, Shaw, Toshiba, Exelon and NET Power will develop a 25MW NET Power natural gas plant that is expected to begin operating in mid-2014. Construction of the first 250MW plant is expected to begin in late 2014 or early 2015. NET Power will be responsible for overall project development and systems engineering; Toshiba will design, test and manufacture a combustor and turbine for the NET Power system; Shaw will provide engineering, procurement, and construction services; and Exelon will support the development and operations of the 25MW plant by selecting the site, obtaining permits and commissioning the facility. Shaw will also provide up to \$50.4 million in cash and in-kind services to the effort, subject to certain milestones being met,

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acquiring up to 50% of NET Power LLC as those milestones are completed during the four phases of the project. Jefferies & Company, Inc. served as sole financial advisor to NET Power LLC on the transaction.

"Toshiba's expertise in high-pressure and high-temperature turbines is a tremendous asset to NET Power," said Mr. Brown. "We founded NET Power because we believe the global power generation industry is in serious need of a low-cost carbon solution that is deployable in the near term. With Toshiba, Shaw and Exelon on board, we have assembled a first-class development team that will help NET Power rapidly bring this essential technology to the world."

NET Power's Allam Cycle is a flexible technology platform with transformative applications across the energy landscape. "NET Power's cycle can be integrated into a number of industrial processes, such as liquefied natural gas facilities, enhanced oil recovery fields, and concentrated solar plants" said Rodney Allam. "In each case, NET Power produces cleaner electricity with far greater efficiencies than existing natural gas plants. In certain regions, such as the Middle East, NET Power is able to integrate with a number of processes at once, providing particularly large advantages." Although the initial system will utilize natural gas, future applications of NET Power will use coal, integrating with current gasifiers, and biomass. "By also applying our technology to coal, the world will be able to employ a process that produces even cheaper electricity than existing coal technologies while eliminating air emissions, helping achieve a limitation of CO<sub>2</sub> levels in the atmosphere," continued Mr. Allam. NET Power and its partners will commercialize these and other important applications of this technology platform.

NET Power LLC is a Durham, N.C.-based company affiliated with 8 Rivers Capital LLC, the inventor and early developer of the NET Power technology. NET Power LLC is commercializing its novel thermodynamic cycle, a platform technology with broad applications across the energy industry. Part of NET Power LLC is beneficially owned by Duke University. For more information, please visit NET Power's website at [www.NETPowerllc.com](http://www.NETPowerllc.com).

###

This press release contains forward-looking statements and information about our current and future prospects and our operations and financial results, which are based on currently available information. The forward-looking statements include assumptions about our operations, such as cost controls and market conditions, that may not be realized. Actual future results and financial performance could vary significantly from those anticipated in such statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, the occurrence of certain events or otherwise.

As a result of these risks and others, actual results could vary significantly from those anticipated in this press release, and our financial condition and results of operations could be materially adversely affected.

The Power House, 300 Fuller Street  
Durham, NC 27701



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**From:** Mackin, Virginia Stone <Virginia.Mackin@duke-energy.com>  
**Sent:** Thursday, June 21, 2012 1:43 PM  
**To:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>; Lyash, Jeff  
[Redacted - Personal Info] Yates, Lloyd [Redacted - Personal Info]; McArthur, John  
[Redacted - Personal Info] Good, Lynn J <Lynn.Good@duke-energy.com>;  
Mulhern, Mark [Redacted - Personal Info]; Manly, Marc E <Marc.Manly@duke-  
energy.com>; Sims, Paula [Redacted - Personal Info] Trent, Keith  
<Keith.Trent@duke-energy.com>; Weber, Jennifer <Jennifer.Weber@duke-  
energy.com>; Carter, Brett C <Brett.Carter@duke-energy.com>; Dolan, Vincent  
[Redacted - Personal Info] Janson, Julie <Julie.Janson@duke-energy.com>;  
Esamann, Doug <Doug.Esamann@duke-energy.com>  
**Cc:** Johnson, Bill [Redacted - Personal Info]; Rogers, Jim <Jim.Rogers@duke-  
energy.com>; Boyce, Cari [Redacted - Personal Info] Pridgen, Wade  
[Redacted - Personal Info] Covert, Crystal [Redacted - Personal Info]  
[Redacted - Personal Info] Sheffield, Anne M <Anne.Sheffield@duke-  
energy.com>; 'Hall, Sharon' [Redacted - Personal Info]; Summerlin, Sandra M  
<Sandra.Summerlin@duke-energy.com>; Rome, Debbie S <Debbie.Rome@duke-  
energy.com>; wendy.dunn [Redacted - Personal Info] delwyn.king [Redacted - Personal Info];  
lavonda.bagwell [Redacted - Personal Info]; Seaford, Robin T <Robin.Seaford@duke-energy.com>;  
peggy.holton [Redacted - Personal Info] Sims, Bobbie A <Bobbie.Sims@duke-energy.com>;  
Scrivani, Jean [Redacted - Personal Info] Bolan, Deb K <Deb.Bolan@duke-  
energy.com>; Shannon, Patty <Patty.Shannon@duke-energy.com>; Nelms, Mary P  
<Mary.Nelms@duke-energy.com>; helen.kyriakou [Redacted - Personal Info] Fleming, Sandy  
<Sandy.Fleming@duke-energy.com>; Horner, Lana J <Lana.Horner@duke-  
energy.com>  
**Bcc:** v  
**Subject:** July 10 Open Forum – Additional Details  
**Attach:** OpenForum\_SMC\_StatePres\_Responsibilities.docx

---

Earlier in June, I had asked each of you to reserve the morning of July 10 for this important post-Day One event – our first all-hands employee meeting after the merger closes.

While Bill Johnson will host this meeting from Charlotte, each of you play an important role. The meeting will be video cast to Raleigh, St. Petersburg, Cincinnati and Plainfield. This will be a great opportunity to be visible with our employees and to connect with them about our new company. It will also give employees an opportunity to meet leaders they may not know.

Attached you'll find additional details about the meeting. As you'll see, the project team has proposed location assignments and responsibilities for SMC members and the state presidents in one of the five video cast locations. If you have questions, please do not hesitate to let me know. The Open Forum communications adviser at your site will follow up with you in the next few days to discuss.

Thank you!

Ginny

**Virginia Mackin**  
**Senior Vice President, Chief Communications Officer**  
Duke Energy  
550 South Tryon Street, DEC36A

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Charlotte, NC 28202

Redacted - Personal Info - office

[virginia.mackin@duke-energy.com](mailto:virginia.mackin@duke-energy.com)



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## **Responsibilities of SMC Members, State Presidents**

### **Tuesday, July 10 Open Forum**

#### **10:30 a.m. to 11:45 a.m.**

The following provides an overview of the July 10 meeting. The largest number of employees is expected in the Knight Theater in Charlotte and the Raleigh Marriott. Based on that, we have proposed the location for each Senior Management Committee member to give employees an opportunity to meet and talk with many of the company's new leaders.

### **Objectives**

- To give the new Duke Energy President and CEO Bill Johnson a face-to-face opportunity to address employees as one group and reinforce the "one company, one culture" mindset.
- To provide an opportunity for employees to get to know senior leadership in the new company.
- In addition, to start the process of building trust, mutual understanding and respect at all levels of the new company. To encourage the idea that employees are "part of something special."
- To set clear expectations on and provide general information about the direction for the new Duke Energy.
- To provide a forum for responding to employee questions and concerns.

### **Meeting – At a Glance**

**Date:** Tuesday, July 10

**Meeting Time:** 10:30 a.m. to 11:45 a.m.

**Location:** Originates from Knight Theater in Charlotte

**Video cast to:** Raleigh Marriott, Plainfield auditorium, Cincinnati auditorium, Mahaffey Theater in St. Petersburg, Fla.

#### **Timeline:**

- 10:15 a.m. to 10:25 a.m. – SMC members who are at the Knight Theater or Raleigh Marriott are asked to be in the lobby to welcome and talk with employees *prior to the meeting.*
- 10:25 a.m. – SMC members at Knight Theater and Raleigh Marriott will go to reserved seating that will be in the front of the auditorium. *[Employees serving as greeters can direct you to that seating.]*
- 10:30 a.m. to 10:35 a.m. – Lead executive at each video cast location will welcome employees, reinforce key messages, provide a brief safety message, recognize Senior Management Committee / other key leaders in the audience.
- 10:35 a.m. HARD STOP – Live meeting begins; video cast activated; call-in phone lines opened. Bill Johnson begins his remarks.

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- **10:50 a.m.** – Johnson opens up session for Q&As, with Ginny Mackin to help facilitate. Johnson will go around "roundtable style," asking for questions from Charlotte, Raleigh, Indiana, Cincinnati, Florida and the phones. *[Lead communicator at each site to let Johnson know if there is a question.]* Mic assistants to be available in each video cast location. *[Note: Johnson will have a monitor in front of him so he can see employees at each location.]*
- **11:40 a.m.** – Johnson wraps up; offers closing remarks.
- **Immediately after the meeting** – SMC members and state presidents in Knight Theater and Raleigh Marriott are asked to be available in the lobby area to talk with employees and answer questions.

State presidents at Mahaffey Theater, Plainfield auditorium and Cincinnati auditorium are asked to follow a process similar to the above as appropriate for their location.

Other:

- 1,000 phone lines to be available. A note will be sent to managers in advance of the meeting to listen in with groups of employees.
- No video or audio streaming will be done to avoid technical issues.
- The session will be videotaped to post on the Portal, along with a story, within a few days of the meeting.

## SMC, State Presidents – Location Assignments and Responsibilities

Location	SMC Members/ State Presidents	Responsibilities	Open Forum Communications Adviser
Charlotte (Knight Theater)	Ginny Mackin – Lead	10:30-10:35 a.m. -Welcome	Shirley Moore – Assist with Mackin's talking points; also serve as timekeeper
	Mike Engelman – Safety Message	-Brief remarks about new company (see internal message map)	
	<b>Seated up front:</b> Lynn Good	-Call on Engelman to provide a short safety message	
	Jeff Lyash	-Recognize SMC members in Charlotte, acknowledge	Scott Sutton/Erin Culbert – Assist with Engelman's talking points
	Marc Manly	location of other SMC	
	Keith Trent	members	
	Jennifer Weber		
Raleigh (Marriott)	Lloyd Yates		
	John McArthur – Lead	10:30-10:35 a.m.: -Welcome	Sharon Hall, Lisa Tutor – Assist with McArthur's talking points; also serve as timekeeper
	<b>Seated up front:</b> Brett Carter	-Brief remarks about new company (see internal message map)	
	Dhiaa Jamil	-Safety message	
	Mark Mulhern		

	Paula Sims	-Recognize SMC members in Raleigh; acknowledge location of other SMC members -Introduce Carter, new state president	
St. Petersburg (Mahaffey Theater)	Vinny Dolan – Lead	10:30-10:35 a.m.: -Welcome -Brief remarks about new company (see internal message map) -Safety message	Leah Bickley – Assist with Dolan's talking points; also serve as timekeeper
Cincinnati (Fourth & Main)	Julie Janson – Lead	10:30-10:35 a.m.: -Welcome -Brief remarks about new company (see internal message map) -Safety message	Sally Thelen – Assist with Janson's talking points; also serve as timekeeper
Plainfield (Plainfield Building)	Doug Esamann – Lead	10:30-10:35 a.m.: -Welcome -Brief remarks about new company (see internal message map) -Safety message	Lew Middleton – Assist with Esamann's talking points; also serve as timekeeper

## Next steps

Open Forum communications advisers identified above will meet with their lead executive to discuss additional details for the meeting, review internal message map, draft the executive's opening remarks, review the draft with the executive and answer any questions.



**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Wednesday, June 20, 2012 2:00 PM  
**To:** 'amgray' [Redacted - Personal Info]  
**Subject:** Re: Checking in

---

Ann,

I am glad to hear you had a good trip. We had a wonderful day today after a rowdy dinner at the Jules Verne with [Redacted] almost 4 hours.

We saw the big three, among other things, at the Louvre and a wonderful walk through Montmartre to Sacre Coeur-- beautiful day.

I will call Saturday.

Best,  
Jim

---

**From:** amgray [Redacted - Personal Info]  
**Sent:** Wednesday, June 20, 2012 07:20 AM  
**To:** Rogers, Jim  
**Subject:** Re: Checking in

Jim,  
Your trip sounds wonderful! I had a great time also.  
The major change to the agenda was the postponement of the outside guests. Thanks for understanding my suggestion of this rescheduling.  
Will you please call me on Saturday? Cell, anytime.  
Safe trip home, Ann

----- Original Message -----

**From:** "Rogers, Jim"  
**Date:** Tuesday, June 19, 2012 11:07 am  
**Subject:** Checking in  
**To:** "amgray" [Redacted - Personal Info]

> Ann,  
>  
> Our there any issues we need to discuss prior to the board  
> meetings next week?  
>  
> Of course, we will be prepared to discuss the latest merger-  
> approval developments. We seem on track to close July 1.  
>  
> All construction projects are on track to be commercial this  
> year...some issues with Edwardsport, of course but nothing of  
> great import.  
>  
> I just returned from Versailles with [Redacted - Personal Info] This touring  
> is exhausting with a 9-year-old but so much fun. We will be back  
> home Friday night.

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>  
> I have averaged 100 plus pictures a day--the most documented  
> trip in the history of 9-year-olds.  
>  
> I hope your trip to France was fun.  
>  
> Best,  
> Jim  
>

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DUKE\_NCUC\_00001354-A

**From:** amgray [Redacted - Personal Info]  
**Sent:** Wednesday, June 20, 2012 7:21 AM  
**To:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Re: Checking in

---

Jim,

Your trip sounds wonderful! I had a great time also.

The major change to the agenda was the postponement of the outside guests. Thanks for understanding my suggestion of this rescheduling.

Will you please call me on Saturday? Cell, anytime.

Safe trip home, Ann

----- Original Message -----

From: "Rogers, Jim"

Date: Tuesday, June 19, 2012 11:07 am

Subject: Checking in

To: "amgray" [Redacted - Personal Info]

> Ann,

>

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> meetings next week?

>

> Of course, we will be prepared to discuss the latest merger-

> approval developments. We seem on track to close July 1.

>

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> great import.

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> is exhausting with a 9-year-old but so much fun. We will be back

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>

> I have averaged 100 plus pictures a day--the most documented

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>

> I hope your trip to France was fun.

>

> Best,

> Jim

>

DUKE\_NCUC\_00001355

DUKE\_NCUC\_00001355-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Tuesday, June 19, 2012 11:07 AM  
**To:** 'amgray' [Redacted - Personal Info]  
**Subject:** Checking in

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I hope your trip to France was fun.

Best,  
Jim

DUKE\_NCUC\_00001356

DUKE\_NCUC\_00001356-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Friday, June 15, 2012 1:52 PM  
**To:** 'dan.dimicco' (Redacted - Personal Info)  
**Subject:** Re: China plans boost to coal-fired power plant construction

---

I am afraid that is the reality for now. We need to find a way to compete and I believe we will. We have always underestimated our capability. Negativism and doubt are dangerous during times like these.

---

**From:** DiMicco, Dan (Redacted - Personal Info)  
**Sent:** Friday, June 15, 2012 01:47 PM  
**To:** Rogers, Jim  
**Subject:** RE: China plans boost to coal-fired power plant construction

Yep and to hell with everything else—the environment, trade agreements, human rights, safety, .....

---

**From:** Rogers, Jim [mailto:Jim.Rogers@duke-energy.com]  
**Sent:** Friday, June 15, 2012 1:45 PM  
**To:** DiMicco, Dan  
**Subject:** Re: China plans boost to coal-fired power plant construction

They are focused on jobs and providing electricity to all their people who are moving from the rural to the urban areas.

---

**From:** DiMicco, Dan (Redacted - Personal Info)  
**Sent:** Friday, June 15, 2012 01:37 PM  
**To:** Rogers, Jim  
**Subject:** RE: China plans boost to coal-fired power plant construction

So much for China's contribution to manmade global warming CO2 reductions in the world!

---

**From:** Rogers, Jim [mailto:Jim.Rogers@duke-energy.com]  
**Sent:** Friday, June 15, 2012 12:40 PM  
**To:** DiMicco, Dan  
**Subject:** Re: China plans boost to coal-fired power plant construction

Dan, thanks for the story.

# Notice of Appeal

---

**From:** DiMicco, Dan (Redacted - Personal Info)  
**Sent:** Friday, June 15, 2012 11:08 AM  
**To:** Rogers, Jim  
**Subject:** FW: China plans boost to coal-fired power plant construction

## China plans boost to coal-fired power plant construction

China's National Development and Reform Commission (NDRC) will accelerate the approval of new coal-fired power plants as the industry has seen a clear decline in new investments this year, the commission has announced. During the first five months of this year investment in the country's coal-fired power sector fell by 25% year-on-year, according to National Energy Administration (NEA) data. Though welcoming the news, Chinese

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steel pipe producers said it's too early to predict how the NDRC's pledge might drive boiler- pipe sales. "Mills have already realized the increase in the coal-fired power sector will be limited during 2011-15," an industry source told Platts Steel Business Briefing.

China is mainly building large generation units that incorporate supercritical and ultra-supercritical boilers, in keeping with government-mandated decommissioning of small polluting coal-fired plants. Some high- pressure boiler pipes for these new power plants still have to be imported, the source added. Moreover, the deceleration of India's coal-fired power industry this year has impacted the Chinese pipe makers more as India is a major export market, said a domestic mill source.

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**From:** DiMicco, Dan [Redacted - Personal Info]  
**Sent:** Friday, June 15, 2012 1:48 PM  
**To:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** RE: China plans boost to coal-fired power plant construction

---

Yep and to hell with everything else—the environment, trade agreements, human rights, safety, .....

---

**From:** Rogers, Jim [mailto:Jim.Rogers@duke-energy.com]  
**Sent:** Friday, June 15, 2012 1:45 PM  
**To:** DiMicco, Dan  
**Subject:** Re: China plans boost to coal-fired power plant construction

They are focused on jobs and providing electricity to all their people who are moving from the rural to the urban areas.

---

**From:** DiMicco, Dan [Redacted - Personal Info]  
**Sent:** Friday, June 15, 2012 01:37 PM  
**To:** Rogers, Jim  
**Subject:** RE: China plans boost to coal-fired power plant construction

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**To:** DiMicco, Dan  
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**To:** Rogers, Jim  
**Subject:** FW: China plans boost to coal-fired power plant construction

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**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Friday, June 15, 2012 1:45 PM  
**To:** 'dan.dimicco@Redacted - Personal Info'  
**Subject:** Re: China plans boost to coal-fired power plant construction

---

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**Sent:** Friday, June 15, 2012 01:37 PM  
**To:** Rogers, Jim  
**Subject:** RE: China plans boost to coal-fired power plant construction

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**To:** DiMicco, Dan  
**Subject:** Re: China plans boost to coal-fired power plant construction

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**To:** Rogers, Jim  
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DUKE\_NCUC\_00001360-A



**From:** DiMicco, Dan [Redacted - Personal Info]  
**Sent:** Friday, June 15, 2012 1:37 PM  
**To:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** RE: China plans boost to coal-fired power plant construction

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**Sent:** Friday, June 15, 2012 12:40 PM  
**To:** DiMicco, Dan  
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**Sent:** Friday, June 15, 2012 11:08 AM  
**To:** Rogers, Jim  
**Subject:** FW: China plans boost to coal-fired power plant construction

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DUKE\_NCUC\_00001361

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**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Friday, June 15, 2012 12:40 PM  
**To:** 'dan.dimicco@[Redacted - Personal Info]'  
**Subject:** Re: China plans boost to coal-fired power plant construction

---

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# Notice of Appeal

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**To:** Rogers, Jim  
**Subject:** FW: China plans boost to coal-fired power plant construction

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DUKE\_NCUC\_00001362-A

**From:** rhodesj [Redacted - Personal Info]  
**Sent:** Friday, June 8, 2012 6:39 PM  
**To:** Peed, Cheryl <cheryl.peed@duke-energy.com>; Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Cc:** Nichols, Lara <lara.nichols@duke-energy.com>  
**Subject:** Re: Additional information: RII-2012-A-0052

---

Thank you Cheryl. I'll forward this to the NOC.  
Sent from my Verizon Wireless BlackBerry

---

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**Date:** Fri, 8 Jun 2012 17:16:24 -0400  
**To:** Rogers, Jim<Jim.Rogers@duke-energy.com>; Rhodes, Jim [Redacted - Personal Info]  
**Cc:** Nichols, Lara S<Lara.Nichols@duke-energy.com>  
**Subject:** FW: Additional information: RII-2012-A-0052

Please see below the email communication with Region II. This should close out our action item. Please let me know if you have any questions or comments.

I met with Dhiaa and incorporated all his comments.

Thank you for your support!

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]

[Redacted - Personal Info]

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---

**From:** Peed, Cheryl T  
**Sent:** Friday, June 08, 2012 5:11 PM  
**To:** 'Bartley, Jonathan'  
**Subject:** RE: Additional information: RII-2012-A-0052  
**Sensitivity:** Confidential

Jonathan, please find attached a list of all concerns received by Duke Energy Employee Concerns between May 1, 2010 and May 2012. The list provides a summary of the concern, if the concern was substantiated, and if it was generated due to an NRC RFI. Please let me know if you have questions or comments or if I can help in any other way.

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]

[Redacted - Personal Info]

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DUKE\_NCUC\_00001363

DUKE\_NCUC\_00001363-A

**From:** Bartley, Jonathan [Redacted - Personal Info]  
**Sent:** Monday, May 14, 2012 10:47 AM  
**To:** Peed, Cheryl T  
**Cc:** R2EICS Alleg Resource  
**Subject:** Additional information: RII-2012-A-0052

Cheryl, per our phone discussion I would like the following to complete our review of RII-2012-A-0052:

A list of all concerns received by the Duke ECP between May 1, 2010, through today. The list should provide a summary of the concern, if the concern was substantiated, and if it was generated due to an NRC RFI. The list does not need to provide the Duke ECP tracking number.

Thank you for your assistance,  
Jonathan

Jonathan Bartley  
Chief, Reactor Projects Branch 1  
Division of Reactor Projects, Region II  
U. S. Nuclear Regulatory Commission

[jonathan.bartley](#) [Redacted - Personal Info]  
**Office:** [Redacted - Personal Info]  
[Redacted - Personal Info]

DUKE\_NCUC\_00001364

DUKE\_NCUC\_00001364-A

**From:** Peed, Cheryl T <Cheryl.Peed@duke-energy.com>  
**Sent:** Friday, June 8, 2012 5:16 PM  
**To:** Rogers, Jim <Jim.Rogers@duke-energy.com>; Rhodes, Jim [Redacted - Personal Info]  
**Cc:** Nichols, Lara S <Lara.Nichols@duke-energy.com>  
**Subject:** FW: Additional information: RII-2012-A-0052  
**Attach:** Employee Concerns May 2010 to May 2010.docx

---

Please see below the email communication with Region II. This should close out our action item. Please let me know if you have any questions or comments.

I met with Dhiaa and incorporated all his comments.

Thank you for your support!

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]  
[Redacted - Personal Info]

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**From:** Peed, Cheryl T  
**Sent:** Friday, June 08, 2012 5:11 PM  
**To:** 'Bartley, Jonathan'  
**Subject:** RE: Additional information: RII-2012-A-0052  
**Sensitivity:** Confidential

Jonathan, please find attached a list of all concerns received by Duke Energy Employee Concerns between May 1, 2010 and May 2012. The list provides a summary of the concern, if the concern was substantiated, and if it was generated due to an NRC RFI. Please let me know if you have questions or comments or if I can help in any other way.

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]  
[Redacted - Personal Info]

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**From:** Bartley, Jonathan [Redacted - Personal Info]  
**Sent:** Monday, May 14, 2012 10:47 AM  
**To:** Peed, Cheryl T  
**Cc:** R2EICSAleg Resource  
**Subject:** Additional information: RII-2012-A-0052

Cheryl, per our phone discussion I would like the following to complete our review of RII-2012-A-0052:

DUKE\_NCUC\_00001365

DUKE\_NCUC\_00001365-A

A list of all concerns received by the Duke ECP between May 1, 2010, through today. The list should provide a summary of the concern, if the concern was substantiated, and if it was generated due to an NRC RFI. The list does not need to provide the Duke ECP tracking number.

Thank you for your assistance,  
Jonathan

Jonathan Bartley  
Chief, Reactor Projects Branch 1  
Division of Reactor Projects, Region II  
U. S. Nuclear Regulatory Commission

jonathan.bartley [Redacted - Personal Info]

Office: [Redacted - Personal Info]

[Redacted - Personal Info]

DUKE\_NCUC\_00001366

DUKE\_NCUC\_00001366-A

Summary of Concerns Received  
May 1, 2010 to May 2012



NOTE: During this time period, Duke Energy added Employee Concerns consultants at each of its nuclear sites. These consultants began handling concerns approximately October 31, 2011. This report demonstrates a corresponding increase at that time in concerns raised internally to Employee Concerns.

Additionally, corrective actions were initiated for all substantiated concerns. As appropriate, a PIP was generated. Employee Concerns tracked all substantiated concerns to completion.

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**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Monday, June 4, 2012 12:42 PM  
**To:** Ann Gray [Redacted - Personal Info], Barnet3, W - [Redacted - Personal Info] Bernhardt, Alex - [Redacted - Personal Info] [Redacted - Personal Info] Dan DiMicco [Redacted - Personal Info]; Jim Hance [Redacted - Personal Info] John Forsgren [Redacted - Personal Info] Michael Browning [Redacted - Personal Info] Reinsch, Jim - [Redacted - Personal Info] [Redacted - Personal Info] Sharp - [Redacted - Personal Info] Rhodes, Jim - [Redacted - Personal Info] Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Cc:** Bonny Light [Redacted - Personal Info] Brenda Brooks [Redacted - Personal Info] Joyce Hiott [Redacted - Personal Info]; Currence, Kathy K <Kathy.Currence@duke-energy.com>; Kieca Pointdujour <[Redacted - Personal Info]>; Linda Canipe [Redacted - Personal Info]; Marilyn Voigt [Redacted - Personal Info] Sandra Thrower [Redacted - Personal Info] Sandra Thrower [Redacted - Personal Info]  
**Bcc:** m; m; r; s  
**Subject:** May 2012 Board Letter  
**Attach:** May 2012 Board Letter.DOCX

---

Attached is my May 2012 board letter. Please let me know if you have any questions.

Best,  
Jim

DUKE\_NCUC\_00001378

DUKE\_NCUC\_00001378-A

# Notice of Appeal

To: Duke Energy Board of Directors

From: Jim Rogers

Subject: May Board Letter

Date: June 4, 2012

# Notice of Appeal

DUKE\_NCUC\_00001379

DUKE\_NCUC\_00001379-A

# Notice of Appeal

DUKE\_NCUC\_00001380

DUKE\_NCUC\_00001380-A

# Notice of Appeal

DUKE\_NCUC\_00001381

DUKE\_NCUC\_00001381-A

# Notice of Appeal

DUKE\_NCUC\_00001382

DUKE\_NCUC\_00001382-A

# Notice of Appeal

DUKE\_NCUC\_00001383

DUKE\_NCUC\_00001383-A

# Notice of Appeal

DUKE\_NCUC\_00001384

DUKE\_NCUC\_00001384-A



**From:** Alex Bernhardt [Redacted - Personal Info]  
**Sent:** Sunday, June 3, 2012 8:23 PM  
**To:** Jim Rhodes [Redacted - Personal Info]; Bill Barnet [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]  
**Cc:** Jim Rogers <jim.rogers@duke-energy.com>  
**Subject:** Re: Concern Summary for NRC

---

Jim  
Seems ok to me.  
Tks as always for your leadership.  
Alex.  
Alex Bernhardt Sr.  
Sent By My Blackberry

---

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** 06/02/2012 05:58 PM MST  
**To:** Bill Barnet [Redacted - Personal Info]; Alex Bernhardt; Jim Reinsch [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]  
**Cc:** Jim Rogers <jim.rogers@duke-energy.com>  
**Subject:** Fw: Concern Summary for NRC

Gentlemen--

This is what Cheryl Peed plans to send to the NRC in response to their latest request. I have quickly perused it and have no comments. You will note that there has been a significant increase in the number of issues raised (to Duke management) since the EC consultants were put at each site on November 1, 2011, but I believe this is positive, and will be viewed as such by the NRC. I will suggest to Cheryl that it is appropriate for her to review this with Dhiaa before it is sent to the NRC. Let me know if you have any other thoughts.  
Jim--

----- Forwarded Message -----

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**To:** "Rogers, Jim" <Jim.Rogers@duke-energy.com>; "Rhodes, Jim" [Redacted - Personal Info]  
**Cc:** "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
**Sent:** Saturday, June 2, 2012 7:42 PM  
**Subject:** Concern Summary for NRC

Attached please find the summary prepared for the NRC regarding issues raised to Employee Concerns over the last 2 years. Please review and return comments. I would like to send this to the NRC next week preferably Wednesday, and no later than Thursday if possible, especially since the NRC has called this week and asked the status of it.

I feel I need to brief Dhiaa on this as well. He is quite familiar with all the issues up until the Employee Concerns Consultants were put at each site, approximately 11/1/11. Since then, he has seen the cumulative data, but has not been briefed on each issue. I would not expect to give him that kind of detail, except that this is going to the NRC. Therefore, unless you object, I will try to get on his calendar before I send this to the NRC, or as soon as I can after sending to the NRC.

Thank you for your support!

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]

[Redacted - Personal Info]

DUKE\_NCUC\_00001385

DUKE\_NCUC\_00001385-A

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DUKE\_NCUC\_00001386

DUKE\_NCUC\_00001386-A

**From:** Sharp, Phil [Redacted - Personal Info]  
**Sent:** Sunday, June 3, 2012 4:24 PM  
**To:** Jim Rhodes [Redacted - Personal Info]  
**Cc:** Bill Barnet [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info]; Jim Rogers <jim.rogers@duke-energy.com>  
**Subject:** Re: Concern Summary for NRC

---

Thanks

Sent from my iPad

On Jun 2, 2012, at 8:58 PM, "Jim Rhodes" [Redacted - Personal Info] wrote:

Gentlemen--

This is what Cheryl Peed plans to send to the NRC in response to their latest request. I have quickly perused it and have no comments. You will note that there has been a significant increase in the number of issues raised (to Duke management) since the EC consultants were put at each site on November 1, 2011, but I believe this is positive, and will be viewed as such by the NRC. I will suggest to Cheryl that it is appropriate for her to review this with Dhiaa before it is sent to the NRC. Let me know if you have any other thoughts.  
Jim--

----- Forwarded Message -----

From: "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com<mailto:Cheryl.Peed@duke-energy.com>>  
To: "Rogers, Jim" <Jim.Rogers@duke-energy.com<mailto:Jim.Rogers@duke-energy.com>>; "Rhodes, Jim" [Redacted - Personal Info]  
Cc: "Nichols, Lara S" <Lara.Nichols@duke-energy.com<mailto:Lara.Nichols@duke-energy.com>>  
Sent: Saturday, June 2, 2012 7:42 PM  
Subject: Concern Summary for NRC

Attached please find the summary prepared for the NRC regarding issues raised to Employee Concerns over the last 2 years. Please review and return comments. I would like to send this to the NRC next week preferably Wednesday, and no later than Thursday if possible, especially since the NRC has called this week and asked the status of it.

I feel I need to brief Dhiaa on this as well. He is quite familiar with all the issues up until the Employee Concerns Consultants were put at each site, approximately 11/1/11. Since then, he has seen the cumulative data, but has not been briefed on each issue. I would not expect to give him that kind of detail, except that this is going to the NRC. Therefore, unless you object, I will try to get on his calendar before I send this to the NRC, or as soon as I can after sending to the NRC.

Thank you for your support!

Cheryl Peed  
Employee Concerns Manager  
Duke Energy  
[Redacted - Personal Info]  
[Redacted - Personal Info]

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<Employee Concerns May 2010 to May 2010.docx>

DUKE\_NCUC\_00001387

DUKE\_NCUC\_00001387-A

**From:** William Barnett [Redacted - Personal Info]  
**Sent:** Sunday, June 3, 2012 12:00 PM  
**To:** Jim Rhodes [Redacted - Personal Info]  
**Cc:** Alex Bernhardt [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info] Phil Sharp [Redacted - Personal Info]; Jim Rogers <jim.rogers@duke-energy.com>  
**Subject:** Re: Concern Summary for NRC

---

Thanks for sharing. Seems in order. Hope good week.

Sent from my iPad

On Jun 2, 2012, at 8:58 PM, Jim Rhodes [Redacted - Personal Info] wrote:

Gentlemen--

This is what Cheryl Peed plans to send to the NRC in response to their latest request. I have quickly perused it and have no comments. You will note that there has been a significant increase in the number of issues raised (to Duke management) since the EC consultants were put at each site on November 1, 2011, but I believe this is positive, and will be viewed as such by the NRC. I will suggest to Cheryl that it is appropriate for her to review this with Dhiaa before it is sent to the NRC. Let me know if you have any other thoughts.

Jim--

----- Forwarded Message -----

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**To:** "Rogers, Jim" <Jim.Rogers@duke-energy.com>; "Rhodes, Jim" [Redacted - Personal Info]  
**Cc:** "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
**Sent:** Saturday, June 2, 2012 7:42 PM  
**Subject:** Concern Summary for NRC

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I feel I need to brief Dhiaa on this as well. He is quite familiar with all the issues up until the Employee Concerns Consultants were put at each site, approximately 11/1/11. Since then, he has seen the cumulative data, but has not been briefed on each issue. I would not expect to give him that kind of detail, except that this is going to the NRC. Therefore, unless you object, I will try to get on his calendar before I send this to the NRC, or as soon as I can after sending to the NRC.

Thank you for your support!

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]  
[Redacted - Personal Info]

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<Employee Concerns May 2010 to May 2010.docx>

DUKE\_NCUC\_00001388

DUKE\_NCUC\_00001388-A

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Saturday, June 2, 2012 9:02 PM  
**To:** Peed, Cheryl T <Cheryl.Peed@duke-energy.com>  
**Cc:** Jim Rogers <jim.rogers@duke-energy.com>  
**Subject:** Re: Concern Summary for NRC

---

Cheryl--

I have perused this and sent it to the NOC members for any comments they may have. I think it is quite appropriate for you to review this with Dhiaa before it is sent to the NRC.

Jim--

---

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**To:** "Rogers, Jim" <Jim.Rogers@duke-energy.com>; "Rhodes, Jim" [Redacted - Personal Info]  
**Cc:** "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
**Sent:** Saturday, June 2, 2012 7:42 PM  
**Subject:** Concern Summary for NRC

Attached please find the summary prepared for the NRC regarding issues raised to Employee Concerns over the last 2 years. Please review and return comments. I would like to send this to the NRC next week preferably Wednesday, and no later than Thursday if possible, especially since the NRC has called this week and asked the status of it.

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Thank you for your support!

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]  
[Redacted - Personal Info]

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DUKE\_NCUC\_00001389

DUKE\_NCUC\_00001389-A

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Saturday, June 2, 2012 8:58 PM  
**To:** Bill Barnet [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]  
Jim Reinsch [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]  
**Cc:** Jim Rogers <jim.rogers@duke-energy.com>  
**Subject:** Fw: Concern Summary for NRC  
**Attach:** Employee Concerns May 2010 to May 2010.docx

---

Gentlemen--

This is what Cheryl Peed plans to send to the NRC in response to their latest request. I have quickly perused it and have no comments. You will note that there has been a significant increase in the number of issues raised (to Duke management) since the EC consultants were put at each site on November 1, 2011, but I believe this is positive, and will be viewed as such by the NRC. I will suggest to Cheryl that it is appropriate for her to review this with Dhiaa before it is sent to the NRC. Let me know if you have any other thoughts.  
Jim--

----- Forwarded Message -----

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**To:** "Rogers, Jim" <Jim.Rogers@duke-energy.com>; "Rhodes, Jim" [Redacted - Personal Info]  
**Cc:** "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
**Sent:** Saturday, June 2, 2012 7:42 PM  
**Subject:** Concern Summary for NRC

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Thank you for your support!

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]  
[Redacted - Personal Info]

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DUKE\_NCUC\_00001390-A

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**From:** E. Jim Reinsch [Redacted - Personal Info]  
**Sent:** Friday, June 1, 2012 7:37 AM  
**To:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Cc:** Rhodes, Jim [Redacted - Personal Info]; Barnet3, W [Redacted - Personal Info];  
Bernhardt, Alex [Redacted - Personal Info]; [Redacted - Personal Info]; Sharp [Redacted - Personal Info];  
[Redacted - Personal Info]; Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Re: Weekly team notes.

---

Thanks for sharing Dhiaa, very thoughtful and inspiring.  
Jim

Sent from my iPad

On May 31, 2012, at 5:45 PM, "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com> wrote:

Dear NOC,

I always enjoy and learn from reading the weekly team notes published by each site VP. It is a great tool for leaders to highlight a lesson, focus on an issue, keep the fire burning about an issue and teach. I usually send a comment of recognition or acknowledgment to make sure they know these notes are indeed being read by even their CNO.

I really enjoyed reading this week's piece by Preston at Oconee and decided it to share it with you. I think you will enjoy it, aside from serving as continuing education about events that shaped the nuclear industry.

Sorry to clutter your email.

Dhiaa.

*"My thoughts this week begin with a candle, a red candle about as big around as a man's thumb. Before we delve into the candle story, it would be inappropriate of me not to mention the excellent work our Independent Nuclear Oversight (INOS) group has been performing. The INOS mission is to provide an objective review, through observation and analysis, of the work we perform. Gaps to standards and gaps to excellence are brought to the attention of the senior management team by our INOS team. There can be no doubt that a strong INOS creates an atmosphere of improved safety. A strong INOS group must have teeth. A tepid response to INOS incurs increased management involvement. In the event no progress is made to resolve INOS issues, they get elevated and escalated. My corporate responsibility includes holding myself and our organization accountable to INOS. Recently, INOS addressed issues with our emergency response performance and our shortfalls in some of our pre-job briefs. Another example of an INOS-identified issue is our control of combustible materials. In this case, without the diligence of the ONS INOS, unsafe behaviors would continue to exist placing the facility at increased risk of fire. Our Control of Combustible Material standard directly ties to fire prevention and improved*

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nuclear safety.

*In 1975, class acts like the Doobie Brothers, Eagles, Earth, Wind & Fire, and Elton John were pulsing the radio airwaves. Gerald Ford was president, Americans shook hands with the Russians in space and an engineer in Tennessee was performing a penetration pressure test at a nuclear facility using a candle – a red candle about as big around as a man's thumb. The engineer used the candle flickers to identify air leaks. On this day, in the cable room, the engineer placed the candle about an inch away from some temporary penetration sealant. Since a leak was present, the airflow pulled the candle flame into the foam and ignited it. Unsuccessful with extinguishing the fire at its source, the fire began to rapidly burn out of control. It quickly spread to all the cables, flames followed the cable jacket fuel wherever it took them. In the control room, the control boards became too hot to touch while lens covers began exploding off their bases. Melted plastic covers began to ooze down the control boards. Operators could not see well because of smoke and needed self-contained breathing apparatus to breath. Before the fire was extinguished, all emergency core cooling equipment was rendered unusable due to the burned cables. Improved Fire Protection Programs, greater recognition of fire risk and Appendix R would grow from the Browns Ferry Fire Event, the number one event on INPO's list of Events that Shaped the Industry. Over the next 37 years, the lessons learned from the event have been incorporated into procedures and the licensing basis. Unfortunately, the emotional impact cannot be proceduralized or required by law.*

*One does not have to look far down INPO's Events that Shaped the Industry list to see how our INOS facilitates improved nuclear safety. From Control of Combustible Materials to excellence in our Radiation Work Permits, INOS is working hard to ensure we are held accountable to our standards, as well as measures of excellence. I am grateful for a strong INOS group. My firm expectation is that they relentlessly chase our issues, without apology or sympathy, which will keep us out of the news, from in front of video cameras, and off "bad event lists" that shape our industry."*

*"A spark neglected makes a mighty fire."*

*- Robert Herrick*

*Preston Gillespie*

**Oconee Vice President**

DUKE\_NCUC\_00001404

DUKE\_NCUC\_00001404-A



*cables, flames followed the cable jacket fuel wherever it took them. In the control room, the control boards became too hot to touch while lens covers began exploding off their bases. Melted plastic covers began to ooze down the control boards. Operators could not see well because of smoke and needed self-contained breathing apparatus to breath. Before the fire was extinguished, all emergency core cooling equipment was rendered unusable due to the burned cables. Improved Fire Protection Programs, greater recognition of fire risk and Appendix R would grow from the Browns Ferry Fire Event, the number one event on INPO's list of Events that Shaped the Industry. Over the next 37 years, the lessons learned from the event have been incorporated into procedures and the licensing basis. Unfortunately, the emotional impact cannot be proceduralized or required by law.*

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*"A spark neglected makes a mighty fire."  
- Robert Herrick*

**Preston Gillespie**  
Oconee Vice President

DUKE\_NCUC\_00001406

DUKE\_NCUC\_00001406-A

**From:** William Barnett [Redacted - Personal Info]  
**Sent:** Thursday, May 31, 2012 5:57 PM  
**To:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Cc:** Rhodes, Jim [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info];  
Bernhardt, Alex [Redacted - Personal Info]; [Redacted - Personal Info] Sharp [Redacted - Personal Info];  
[Redacted - Personal Info] Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Re: Weekly team notes.

---

Wow. Thanks for sharing. Offers interesting and unique perspective.

Sent from my iPad

On May 31, 2012, at 5:45 PM, "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com> wrote:

Dear NOC,

I always enjoy and learn from reading the weekly team notes published by each site VP. It is a great tool for leaders to highlight a lesson, focus on an issue, keep the fire burning about an issue and teach. I usually send a comment of recognition or acknowledgment to make sure they know these notes are indeed being read by even their CNO.

I really enjoyed reading this week's piece by Preston at Oconee and decided it to share it with you. I think you will enjoy it, aside from serving as continuing education about events that shaped the nuclear industry.

Sorry to clutter your email.

Dhiaa.

*My thoughts this week begin with a candle, a red candle about as big around as a man's thumb. Before we delve into the candle story, it would be inappropriate of me not to mention the excellent work our Independent Nuclear Oversight (INOS) group has been performing. The INOS mission is to provide an objective review, through observation and analysis, of the work we perform. Gaps to standards and gaps to excellence are brought to the attention of the senior management team by our INOS team. There can be no doubt that a strong INOS creates an atmosphere of improved safety. A strong INOS group must have teeth. A tepid response to INOS incurs increased management involvement. In the event no progress is made to resolve INOS issues, they get elevated and escalated. My corporate responsibility includes holding myself and our organization accountable to INOS. Recently, INOS addressed issues with our emergency response performance and our shortfalls in some of our pre-job briefs. Another example of an INOS-identified issue is our control of combustible materials. In this case, without the diligence of the ONS INOS, unsafe behaviors would continue to exist placing the facility at increased risk of fire. Our Control of Combustible Material standard directly ties to fire prevention and improved nuclear safety.*

*In 1975, class acts like the Doobie Brothers, Eagles, Earth, Wind & Fire, and Elton John were pulsing the radio airwaves. Gerald Ford was president, Americans shook hands with the Russians in space and an engineer in Tennessee was performing a penetration pressure test at a nuclear facility using a candle - a red candle about as big around as a man's thumb. The engineer used the candle flickers to identify air leaks. On this day, in the cable room, the engineer placed the candle about an inch away from some temporary penetration sealant. Since a leak was present, the airflow pulled the candle flame into the foam and ignited it. Unsuccessful with extinguishing the fire at its source, the fire began to rapidly burn out of control. It quickly spread to all the cables, flames followed the cable jacket fuel wherever it took them. In the control room, the control boards became too hot to touch while lens covers began exploding off their bases. Melted plastic covers began to ooze down the control boards. Operators could not see well because of smoke and needed self-*

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contained breathing apparatus to breath. Before the fire was extinguished, all emergency core cooling equipment was rendered unusable due to the burned cables. Improved Fire Protection Programs, greater recognition of fire risk and Appendix R would grow from the Browns Ferry Fire Event, the number one event on INPO's list of Events that Shaped the Industry. Over the next 37 years, the lessons learned from the event have been incorporated into procedures and the licensing basis. Unfortunately, the emotional impact cannot be proceduralized or required by law.

One does not have to look far down INPO's Events that Shaped the Industry list to see how our INOS facilitates improved nuclear safety. From Control of Combustible Materials to excellence in our Radiation Work Permits, INOS is working hard to ensure we are held accountable to our standards, as well as measures of excellence. I am grateful for a strong INOS group. My firm expectation is that they relentlessly chase our issues, without apology or sympathy, which will keep us out of the news, from in front of video cameras, and off *!! bad event lists !!* that shape our industry. *!!*

*!! A spark neglected makes a mighty fire. !!*  
- Robert Herrick

*Preston Gillespie*  
Oconee Vice President

DUKE\_NCUC\_00001408

DUKE\_NCUC\_00001408-A



**From:** Good, Lynn J <Lynn.Good@duke-energy.com>  
**Sent:** Tuesday, May 29, 2012 5:38 PM  
**To:** Bernhardt, Alex - [Redacted - Personal Info] Ann Gray  
[Redacted - Personal Info] 'DiMicco, Dan' [Redacted - Personal Info]; Rhodes, Jim -  
[Redacted - Personal Info] 'James Hance Jr.' [Redacted - Personal Info]; Reinsch,  
Jim [Redacted - Personal Info] Rogers, Jim <Jim.Rogers@duke-energy.com>; 'John H.  
Forsgren' [Redacted - Personal Info] 'Michael Browning'  
[Redacted - Personal Info] Sharp [Redacted - Personal Info] Barnet3, W -  
[Redacted - Personal Info]  
**Cc:** Harrington, Sue C <Sue.Harrington@duke-energy.com>; Young, Steve K  
<Steve.Young@duke-energy.com>  
**Subject:** April Results  
**Attach:** Board of Directors Financial Report - April 2012.pdf

---

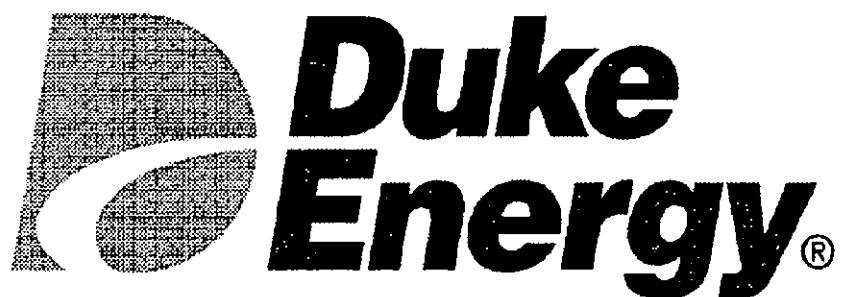
# Notice of Appeal

# Confidential

## Notice of Appeal

DUKE\_NCUC\_00001409

DUKE\_NCUC\_00001409-A



## BOARD OF DIRECTORS REPORT

April 2012

DUKE\_NCUC\_00001410

DUKE\_NCUC\_00001410-A

# Notice of Appeal

# Notice of Appeal

# Notice of Appeal

# Notice of Appeal

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Friday, May 25, 2012 9:29 AM  
**To:** Peed, Cheryl T <Cheryl.Peed@duke-energy.com>  
**Cc:** Rogers, Jim <Jim.Rogers@duke-energy.com>; Nichols, Lara S <Lara.Nichols@duke-energy.com>; Bill Barnett [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]  
**Subject:** Re: Additional information

# Notice of Appeal

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**To:** "Rhodes, Jim" [Redacted - Personal Info]  
**Cc:** "Rogers, Jim" <Jim.Rogers@duke-energy.com>; "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
**Sent:** Thursday, May 24, 2012 6:20 PM  
**Subject:** Additional information

# Notice of Appeal

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**  
[Redacted - Personal Info]  
[Redacted - Personal Info]

*Legal Purposes - This e-mail may contain privileged and confidential information and is intended only for the use of the specific individual(s) to which it is addressed. If you are not an intended recipient of this e-mail, you are hereby notified that any unauthorized use, dissemination or copying of this e-mail or the information contained in it or attached to it is strictly prohibited. If you have received this e-mail in error, please delete it and immediately notify the person named above by reply e-mail. Thank you.*

**From:** Bartley, Jonathan [Redacted - Personal Info]  
**Sent:** Monday, May 14, 2012 10:47 AM  
**To:** Peed, Cheryl T  
**Cc:** R2EICSAIleg Resource  
**Subject:** Additional information

Cheryl, per our phone discussion I would like the following to complete our review of [the recent RFI].

A list of all concerns received by the Duke ECP between May 1, 2010, through today. The list should provide a

DUKE\_NCUC\_00001415

DUKE\_NCUC\_00001415-A

summary of the concern, if the concern was substantiated, and if it was generated due to an NRC RFI. The list does not need to provide the Duke ECP tracking number.

Thank you for your assistance,  
Jonathan

Jonathan Bartley  
Chief, Reactor Projects Branch 1  
Division of Reactor Projects, Region II  
U. S. Nuclear Regulatory Commission

jonathan.bartley [Redacted - Personal Info]

Office: [Redacted - Personal Info]

[Redacted - Personal Info]

DUKE\_NCUC\_00001416

DUKE\_NCUC\_00001416-A



**From:** Peed, Cheryl T <Cheryl.Peed@duke-energy.com>  
**Sent:** Thursday, May 24, 2012 6:20 PM  
**To:** Rhodes, Jim [Redacted - Personal Info]  
**Cc:** Rogers, Jim <Jim.Rogers@duke-energy.com>; Nichols, Lara S <Lara.Nichols@duke-energy.com>  
**Subject:** Additional information

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# Notice of Appeal

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]

[Redacted - Personal Info]

*Legal Purposes - This e-mail may contain privileged and confidential information and is intended only for the use of the specific individual(s) to which it is addressed. If you are not an intended recipient of this e-mail, you are hereby notified that any unauthorized use, dissemination or copying of this e-mail or the information contained in it or attached to it is strictly prohibited. If you have received this e-mail in error, please delete it and immediately notify the person named above by reply e-mail. Thank you.*

---

**From:** Bartley, Jonathan [Redacted - Personal Info]  
**Sent:** Monday, May 14, 2012 10:47 AM  
**To:** Peed, Cheryl T  
**Cc:** R2EICSAlleg Resource  
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Thank you for your assistance,  
Jonathan

Jonathan Bartley  
Chief, Reactor Projects Branch 1  
Division of Reactor Projects, Region II  
U. S. Nuclear Regulatory Commission

[jonathan.bartley@nrc.gov]

[Redacted - Personal Info]

[Redacted - Personal Info]

DUKE\_NCUC\_00001417

DUKE\_NCUC\_00001417-A

**From:** Weber, Jennifer <Jennifer.Weber@duke-energy.com>  
**Sent:** Wednesday, May 23, 2012 8:35 PM  
**To:** Barnet3, W - [Redacted - Personal Info] Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Re: Duke Energy SC concern

---

Bill,

Thanks so much for your insights on this. I believe we have a good slate of internal candidates but Jim and I will let you know if we should put some feelers out.

Hope you are doing well.

Jennifer

---

**From:** William Barnet [mailto:[Redacted - Personal Info]]  
**Sent:** Wednesday, May 23, 2012 08:23 PM  
**To:** Rogers, Jim  
**Cc:** Weber, Jennifer  
**Subject:** Re: Duke Energy SC concern

# Notice of Appeal

Will help in any way I can..

Sent from my iPad

On May 23, 2012, at 7:32 PM, "Rogers, Jim" <Jim.Rogers@duke-energy.com> wrote:

Bill, thanks for your note with attached emails.

## Notice of Appeal

Are you aware of anyone "externally" that may be a good candidate? And, do you have any suggestions as to "internal" candidates?

Thanks for your interest and support. One of the best organizational decisions I believed I have made was to create a President for SC. It has paid dividends.

ATB,  
Jim

---

**From:** Wbarnet [mailto:[Redacted - Personal Info]]  
**Sent:** Wednesday, May 23, 2012 01:10 PM  
**To:** Rogers, Jim  
**Cc:** Weber, Jennifer  
**Subject:** Fwd: Duke Energy SC concern

DUKE\_NCUC\_00001418

DUKE\_NCUC\_00001418-A

I received this note earlier and asked if I might forward to you.

The few Duke folks with whom I have spoken share his view of her replacement....

am happy to chat if and when you desire.

---

From: [Redacted - Personal Info]  
To: wbarnet3 [Redacted - Personal Info]  
Sent: 5/23/2012 1:07:11 P.M. Eastern Daylight Time  
Subj: RE: Duke Energy SC concern

I do not mind you sharing ☐ I don't think I said anything disrespectful in my comments. I also believe this is the common opinion of virtually all our PD employees in the Upstate of SC.

Thanks for caring

---

From: Wbarnet3 [Redacted - Personal Info] [mailto:[Redacted - Personal Info]]  
Sent: Wednesday, May 23, 2012 1:00 PM  
To: [Redacted - Personal Info]  
Subject: Re: Duke Energy SC concern

Thank you for expressing your view and concerns...I respect and understand your thoughts....do you mind if i share with team in Charlotte?

In a message dated 5/23/2012 12:40:49 P.M. Eastern Daylight Time, [Redacted - Personal Info] writes:

Good afternoon Bill!

# Notice of Appeal

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# Notice of Appeal

Thank you for your time and do not hesitate to call if I can be of assistance.

**Redacted - Personal Info**

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DUKE\_NCUC\_00001420

DUKE\_NCUC\_00001420-A

**From:** William Barnet <Redacted - Personal Info>  
**Sent:** Wednesday, May 23, 2012 8:24 PM  
**To:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Cc:** Weber, Jennifer <Jennifer.Weber@duke-energy.com>  
**Subject:** Re: Duke Energy SC concern

# Notice of Appeal

Will help in any way I can..

Sent from my iPad

On May 23, 2012, at 7:32 PM, "Rogers, Jim" <Jim.Rogers@duke-energy.com> wrote:

Bill, thanks for your note with attached emails.

## Notice of Appeal

Are you aware of anyone "externally" that may be a good candidate? And, do you have any suggestions as to "internal" candidates?

Thanks for your interest and support. One of the best organizational decisions I believed I have made was to create a President for SC. It has paid dividends.

ATB,  
Jim

---

**From:** Wbarnet3 <Redacted - Personal Info>  
**Sent:** Wednesday, May 23, 2012 01:10 PM  
**To:** Rogers, Jim  
**Cc:** Weber, Jennifer  
**Subject:** Fwd: Duke Energy SC concern

I received this note earlier and asked if I might forward to you.

The few Duke folks with whom I have spoken share his view of her replacement....

am happy to chat if and when you desire.

---

**From:** Redacted - Personal Info  
**To:** wbarnet3@  
**Sent:** 5/23/2012 1:07:11 P.M. Eastern Daylight Time  
**Subj:** RE: Duke Energy SC concern

DUKE\_NCUC\_00001421

DUKE\_NCUC\_00001421-A

I do not mind you sharing ☐ I don't think I said anything disrespectful in my comments. I also believe this is the common opinion of virtually all our PD employees in the Upstate of SC.

Thanks for caring

---

**From:** Wbarnet3@ [Redacted - Personal Info]  
**Sent:** Wednesday, May 23, 2012 1:00 PM  
**To:** [Redacted - Personal Info]  
**Subject:** Re: Duke Energy SC concern

Thank you for expressing your view and concerns...I respect and understand your thoughts....do you mind if i share with team in Charlotte?

In a message dated 5/23/2012 12:40:49 P.M. Eastern Daylight Time, [Redacted - Personal Info] writes:

Good afternoon Bill!

# Notice of Appeal

Thank you for your time and do not hesitate to call if I can be of assistance.

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DUKE\_NCUC\_00001422-A

**Redacted - Personal Info**

■

DUKE\_NCUC\_00001423

DUKE\_NCUC\_00001423-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Wednesday, May 23, 2012 7:32 PM  
**To:** Barnet3, W - [Redacted - Personal Info] Weber, Jennifer  
<Jennifer.Weber@duke-energy.com>  
**Subject:** Re: Fwd: Duke Energy SC concern

---

Bill, thanks for your note with attached emails.

## Notice of Appeal

Are you aware of anyone "externally" that may be a good candidate? And, do you have any suggestions as to "internal" candidates?

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ATB,  
Jim

---

**From:** Wbarnet3@ [Redacted - Personal Info]  
**Sent:** Wednesday, May 23, 2012 01:10 PM  
**To:** Rogers, Jim  
**Cc:** Weber, Jennifer  
**Subject:** Fwd: Duke Energy SC concern

I received this note earlier and asked if I might forward to you.

The few Duke folks with whom I have spoken share his view of her replacement....

am happy to chat if and when you desire.

---

**From:** [Redacted - Personal Info]  
**To:** wbarnet3@ [Redacted - Personal Info]  
**Sent:** 5/23/2012 1:07:11 P.M. Eastern Daylight Time  
**Subj:** RE: Duke Energy SC concern

I do not mind you sharing ☐ I don't think I said anything disrespectful in my comments. I also believe this is the common opinion of virtually all our PD employees in the Upstate of SC.

Thanks for caring

---

**From:** Wbarnet3@ [Redacted - Personal Info]  
**Sent:** Wednesday, May 23, 2012 1:00 PM  
**To:** [Redacted - Personal Info]

DUKE\_NCUC\_00001424

DUKE\_NCUC\_00001424-A



**Subject:** Re: Duke Energy SC concern

Thank you for expressing your view and concerns...I respect and understand your thoughts....do you mind if i share with team in Charlotte?

In a message dated 5/23/2012 12:40:49 P.M. Eastern Daylight Time, **Redacted - Personal Info** writes:

Good afternoon Bill!

# Notice of Appeal

Thank you for your time and do not hesitate to call if I can be of assistance.

**Redacted - Personal Info**

DUKE\_NCUC\_00001425

DUKE\_NCUC\_00001425-A

**From:** Wbarnet3@[Redacted - Personal Info]  
**Sent:** Wednesday, May 23, 2012 1:11 PM  
**To:** jim.rogers@duke-energy.com  
**Cc:** jennifer.weber@duke-energy.com  
**Subject:** Fwd: Duke Energy SC concern

---

I received this note earlier and asked if I might forward to you.

The few Duke folks with whom I have spoken share his view of her replacement.....

am happy to chat if and when you desire.

---

**From:** [Redacted - Personal Info]  
**To:** wbarnet3@[Redacted - Personal Info]  
**Sent:** 5/23/2012 1:07:11 P.M. Eastern Daylight Time  
**Subj:** RE: Duke Energy SC concern

I do not mind you sharing ☐ I don't think I said anything disrespectful in my comments. I also believe this is the common opinion of virtually all our PD employees in the Upstate of SC.

Thanks for caring

---

**From:** Wbarnet3@[Redacted - Personal Info]  
**Sent:** Wednesday, May 23, 2012 1:00 PM  
**To:** [Redacted - Personal Info]  
**Subject:** Re: Duke Energy SC concern

Thank you for expressing your view and concerns...I respect and understand your thoughts....do you mind if i share with team in Charlotte?

In a message dated 5/23/2012 12:40:49 P.M. Eastern Daylight Time, [Redacted - Personal Info] writes:

Good afternoon Bill!

# Notice of Appeal

DUKE\_NCUC\_00001426

DUKE\_NCUC\_00001426-A

# Notice of Appeal

Thank you for your time and do not hesitate to call if I can be of assistance.

Redacted - Personal Info

11

DUKE\_NCUC\_00001427

DUKE\_NCUC\_00001427-A

**From:** DiMicco, Dan <Redacted - Personal Info>  
**Sent:** Tuesday, May 22, 2012 12:06 PM  
**To:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Re: Duke Energy News in Review 5-22-12

---

# Confidential

Sent from my iPhone

On May 22, 2012, at 10:13 AM, "Rogers, Jim" <Jim.Rogers@duke-energy.com> wrote:

> The article is in our daily clips today and attached. Thanks.

>

> ----- Original Message -----

> From: DiMicco, Dan <Redacted - Personal Info>

> Sent: Tuesday, May 22, 2012 10:11 AM

> To: Rogers, Jim

> Subject: Re: Duke Energy News in Review 5-22-12

>

> I have not seen it but knowing the journal as well as I do probably not. What was it about?

>

> Sent from my iPhone

>

> On May 22, 2012, at 10:02 AM, "Rogers, Jim" <Jim.Rogers@duke-energy.com> wrote:

>

>> Dan, I read the article about the steel industry in the WSJ yesterday with great interest. Did they have the facts right?

>>

>> All the best,

>> Jim

>>

>> From: Shiel, Tom Jr

>> Sent: Tuesday, May 22, 2012 07:19 AM

>> To: News in Review

>> Subject: Duke Energy News in Review 5-22-12

>>

>> Duke Energy News in Review

>> May 22, 2012

>>

>> Articles

>> Charlotte company to open its second solar farm in Surry County

>> Winston-Salem Journal, 5-21-12

>> A Charlotte renewable-energy company is preparing to begin work in June on its second -- and largest-- solar farm in Surry County.

>>

>> Helicopter Strings Power Lines Across Ohio River

>> WKRC-TV, 5-18-12

>> An extremely rare operation took place Friday along the Ohio River, as Duke Energy worked to restring power lines brought down by the March 2nd tornadoes. Duke used a special helicopter to string the line between two transmission towers on opposite sides of the Ohio River. See the attached video of this amazing project (may not play on all computers).

>> NRC Chairman to Resign After Stormy Tenure

>> New York Times, 5-21-12

>> Gregory B. Jaczko, whose three-year tenure as chairman of the Nuclear Regulatory Commission has been marked by bitter battles with colleagues and with Congress, announced Monday that he would step down as soon as a successor was confirmed.

>>

>> Jaczko's exit could trigger two-track confirmation showdown

>> Greenwire, 5-21-12

>> The White House promised today that a new nominee to lead the Nuclear Regulatory Commission would emerge "soon" following the resignation of Gregory Jaczko, plagued by accusations of mismanagement and bullying during a three-year tenure also marked by vocal advocacy for stronger safety standards.

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DUKE\_NCUC\_00001428-A

>>  
 >> Sen. Fasano to PSC: Stop utility advance fees for nuclear projects  
 >> Tampa Bay Times, 5-19-12  
 >> Sen. Mike Fasano, R- New Port Richey, Fla., this week called on the state Public Service Commission to stop allowing utilities to charge customers in advance for new nuclear projects.  
 >>  
 >> NATO activists, anarchists set sights on Charlotte  
 >> Charlotte Observer, 5-21-12  
 >> Activists who staged a massive protest march at the NATO summit here Sunday vowed to bring thousands of demonstrators to Charlotte during the Democratic National Convention.  
 >>  
 >> With Natural Gas Plentiful and Cheap, Carbon Capture Projects Stumble  
 >> New York Times, 5-18-12  
 >> A federal proposal to ban the construction of coal-fired power plants that release all of their carbon dioxide into the atmosphere would seem to smooth the way for carbon capture. But industry experts say the persistently low price of natural gas is threatening the viability of the nation's carbon capture projects.  
 >>  
 >> Indiana Steel Mill Revived With Lessons From Abroad  
 >> Wall Street Journal, 5-21-12  
 >> Some steel mills are destroyed by globalization, others reborn.  
 >>  
 >> Articles  
 >> page top[<http://new.newsedge.com/amc/images/arrow-page-top.gif>]  
 >>  
 >> Charlotte company to open its second solar farm in Surry County <<http://s.newsedge.com/2DeWOTuDK>>  
 >> Winston-Salem Journal, 5-21-12  
 >> By Richard Craver  
 >>  
 >> A Charlotte renewable-energy company is preparing to begin work in June on its second -- and largest -- solar farm in Surry County.  
 >>  
 >> O2energies has selected a 25-acre site in the Ararat community for a 4.4-megawatt solar farm. The site is next to the Ararat Rock Products quarry.  
 >>  
 >> The Ararat solar farm would be about 25 percent of the size of the solar farm in Linwood in Davidson County, the largest in operation in the state at 17 megawatts.  
 >>  
 >> O2energies opened in 2011 a 1.2-megawatt solar farm, nicknamed Mayberry Solar, on six acres that surrounds the Mount Airy wastewater treatment plant.  
 >>  
 >> Joel Olsen, managing director of O2energies, said the two Surry solar farms are projected to provide more than 8 million kilowatt hours of electricity into the Duke Energy distribution grid.  
 >>  
 >> "We have developed a close relationship with the city of Mount Airy and contractors in Surry County," Olsen said. "It was a natural step to site another project here, allowing us to use the local workforce that has already worked on other solar projects in our portfolio."  
 >>  
 >> The N.C. Utilities Commission approved the Ararat solar farm application on April 25. National Renewable Energy Corp. of Charlotte will build the solar farm. The expectation is that most of the energy generated from the Ararat site will be used by the rock quarry during operating hours.  
 >>  
 >> Surrey Bancorp of Mount Airy is providing a multi-million-dollar loan and insurance to O2energies for the project. Like the first project, the company is working with Surry Community College for solar-technology workforce training.  
 >>  
 >> Olsen said smaller solar-power plants tend to be more efficient by being close to the point of consumption, minimizing any loss of energy.  
 >>  
 >> The Winston-Salem Journal reported on May 15 that Forsyth County could be getting its first solar farm if an Arizona company can find a suitable site of at least 10 acres.  
 >>  
 >> Jason Ellsworth, chief executive officer of Sunlight Partners of Mesa, said the company is searching for land in the Winston-Salem area "to build small utility-scale projects that generate clean energy for local utilities."  
 >>  
 >> The impetus for solar farms in North Carolina comes from the Renewable Energy and Energy Efficiency Portfolio Standard, which requires public utilities to have the equivalent of 6 percent of their retail sales come from renewable energy and energy-efficient

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sources by 2015; that's up from 3 percent now. That requirement jumps to 10 percent in 2018 and 12.5 percent in 2021.

>> Most solar farms have been placed in rural areas, particularly on farmland, because land costs are lower than in urban areas.

>> Strata Solar Development LLC of Chapel Hill, doing business as Mocksville Farm LLC, plans to open operations at a 5-megawatt facility on a 30-acre site off Eaton Road by Sept. 30.

>> According to the N.C. Sustainable Energy Association, there are at least 25 solar farms of at least 4.5 megawatts that are in the planning stage, are being built or have been built.

>> Apple Inc. has received approval from the state Utilities Commission to build a 20-megawatt solar farm near the data center complex it is building in Maiden. Strata Solar wants to build a 20-megawatt solar farm in Chatham County.

>> Helicopter Strings Power Lines Across Ohio River<<http://s.newsedge.com/IU9qTOwFF>>

>> WKRC-TV (Cincinnati), 5-18-12

>> An extremely rare operation took place Friday along the Ohio River this morning, as Duke Energy worked to restring power lines brought down by the March 2nd tornadoes.

>> Duke used a special helicopter to string the line between two transmission towers on opposite sides of the Ohio River. The deadly storms back in March tore lines from the towers and brought down the towers.

>> Duke Energy says it's taken them several weeks to rebuild the towers and Friday, they spent more than three hours working between Moscow and the Northern Kentucky side to put the lines back across.

>> A spokeswoman tells Local 12 that no one at Duke Energy can remember having to do such an operation in at least the past 30 years.

>> To view video, go to: <http://www.local12.com/news/local/story/Helicopter-Strings-Power-Lines-Across-Ohio-River/ZGRHKDtVqUOeaPft011.png.csp>

>> WLWT-TV offers both a slideshow and a video of the event at: <http://www.wlwt.com/news/31082708/detail.html> and the attached video provided by WLWT provides a more detailed report (may not play on all computers).

>> NRC Chairman to Resign After Stormy Tenure<<http://s.newsedge.com/dz27knRl>>

>> New York Times, 5-21-12

>> By John Broder and Matthew Wald

>> WASHINGTON — Gregory B. Jaczko, whose three-year tenure as chairman of the Nuclear Regulatory Commission has been marked by bitter battles with colleagues and with Congress, announced Monday that he would step down as soon as a successor was confirmed.

>> Dr. Jaczko, chairman since May 2009 and the longest-serving member of the five-member commission, was an outsider and a maverick. He had drawn sharp criticism for helping to end government consideration of a proposed nuclear waste dump at Yucca Mountain, a volcanic ridge about 100 miles from Las Vegas, and for assuming some emergency powers at the commission after the triple meltdown of Japan's Fukushima Daiichi reactors in March 2011.

>> He sought to address some longstanding safety problems at America's nuclear power reactors, but with a background in nuclear physics and nuclear policy but not the nuclear industry, Dr. Jaczko was long viewed with skepticism and mistrust by some industry insiders.

>> In a telephone interview Sunday, Dr. Jaczko refused to talk about his clashes with other commissioners, which resulted in an internal commission investigation and Congressional hearings.

>> "I thought it was really the right time to make that announcement, to give the president an opportunity to take whatever time may be needed to identify and work through the process of selecting a successor," he said. While acknowledging the fierce attacks from Republicans, Dr. Jaczko said they were not a factor in his choice to resign. "This was my own decision," he said.

>> Until he is replaced, he said, he will come to work every day "to continue to do just the same things I've been doing" — directing the regulatory commission's work overseeing health and safety at American nuclear installations. "And I will do it with the same smile on my face," he said.

>> Representative Edward J. Markey, Democrat of Massachusetts, praised Mr. Jaczko, a former Markey adviser.

>> "Greg has led a Sisyphean fight against some of the nuclear industry's most entrenched opponents of strong, lasting safety regulations, often serving as the lone vote in support of much-needed safety upgrades recommended by the commission's safety staff,"

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Mr. Markey said in a statement Monday.

>>

>> The practical impact of the announcement is not clear. Dr. Jaczko's term as a member of the commission ends in 13 months, but the commissioner who serves as chairman does so at the pleasure of the president, meaning that he would be replaced in January if Mr. Obama does not win a second term. Given the slow pace of Senate confirmations, especially in an election year in which control of the White House and the Senate could change, it is not clear that the Senate will approve a replacement before the election in November, and it is more unlikely to do so if Mr. Obama loses and becomes a lame duck.

>>

>> Dr. Jaczko was named to the N.R.C. by President George W. Bush in January 2005 under a longstanding practice of approving new commissioners in pairs, one from each party.

>>

>> He was chosen by Senator Harry Reid of Nevada, the Democratic leader, on whose staff Dr. Jaczko served.

>>

>> As chairman, Dr. Jaczko was instrumental in achieving one of Mr. Reid's central goals, killing the proposed nuclear repository at Yucca Mountain, chosen as a potential waste site by the Senate in the 1980s. Dr. Jaczko cut off work on the commission's evaluation of the site's suitability, pointing out that the Energy Department, which had been seeking a license to build and operate the repository, was trying to withdraw its application.

>>

>> The decision became a political flash point both within the commission and in Congress and is now the subject of a challenge in Federal District Court.

>>

>> Dr. Jaczko's position raised the ire of some in the nuclear industry, who had hoped — and still do, in some cases — to be rid of the public relations burden of producing nuclear waste for which there is as yet no ultimate disposal plan. But the repository's prospects were uncertain even if the commission had continued to pursue the Energy Department's plan.

>>

>> But Dr. Jaczko's management of the agency rubbed his fellow commissioners the wrong way. Last year, all four of them — two Democrats and two Republicans — sent a letter to the White House chief of staff complaining about his management style.

>>

>> When the letter became public, the four commissioners told a House committee in December that Dr. Jaczko had withheld information from them, unprofessionally berated the agency's professional staff and reduced female employees to tears with abusive comments. They said he had created a "chilled" atmosphere that was hurting the agency's ability to function.

>>

>> The commission's chief internal investigator also said that Dr. Jaczko was "not forthcoming" with his colleagues about the Yucca Mountain project, although his allies in Congress fiercely denied this.

>>

>> But beyond friction with his fellow commissioners, Dr. Jaczko often found himself as the lone dissenting vote on important issues, including the speed with which American reactors should be reanalyzed and improved to incorporate the lessons learned from Fukushima, and the extent to which post-Fukushima reforms should be completed before four new reactors — two in Georgia and two in South Carolina — should be licensed.

>>

>> Dr. Jaczko did argue, though, that while he had been outvoted, he did move his colleagues toward his point of view.

>>

>> And during his tenure, he pushed the agency to resolve safety issues that had lingered for decades.

>>

>> The agency has been trying to improve fire safety at power reactors since the mid-1970s. Dr. Jaczko has pushed for a more systematic approach toward analyzing fire risk and identifying the vulnerable points.

>>

>> He has also focused on resolving a vexing issue involving whether a big pipe break in a reactor could create debris that would clog up emergency pumps that are meant to gather spilled water from a reactor basement and dump it back into the reactor vessel.

>>

>> But some of his insights seem to have fallen on deaf ears.

>>

>> For example, after the Fukushima accident he called for rewriting American safety goals. He pointed out that while everyone agreed that the explosions and melt-downs were unacceptable, they do not seem to have violated commission safety goals, which are set in terms of preventing exposure, something largely achieved in that accident.

>>

>> But so far there is no strong move to rewrite the goals.

>>

>> Jaczko's exit could trigger two-track confirmation showdown<<http://s.newsedge.com/GmX4sOla>>

>> Greenwire, 5-21-12

>> By Hannah Northey and Elana Schor

>>

>> The White House promised today that a new nominee to lead the Nuclear Regulatory Commission would emerge "soon" following the resignation of Gregory Jaczko, plagued by accusations of mismanagement and bullying during a three-year tenure also marked by vocal advocacy for stronger safety standards.

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>>

>> As Republicans applauded Jaczko's decision to bow out and Democrats charged the GOP with pushing out the chairman to appease the nuclear industry, the battle lines are forming for a fight over how to replace the former aide to Senate Majority Leader Harry Reid (D-Nev.) while handling the renomination of NRC Commissioner Kristine Svinicki – an ex-GOP aide whose banner Republicans have hoisted.

>>

>> Jaczko's resignation, announced early today, kept most lawmakers publicly focused on his record rather than a potential successor. White House spokesman Clark Stevens said in a statement that President Obama "appreciates Chairman Jaczko's service and efforts to further the mission of the Nuclear Regulatory Commission -- to license and regulate the nation's use of nuclear materials."

>>

>> "A strong and effective NRC is crucial to protecting public health and safety, promoting defense and security, and protecting the environment, and we intend to nominate a new chairman soon," Stevens added.

>>

>> Jaczko's term was set to expire in June 2013, but he said in stepping aside that he would leave as soon as a new chairman is approved by the Senate. The Environment and Public Works Committee has yet to announce a hearing on Svinicki's renomination, however, amid criticism of the GOP nominee from Reid and Environment and Public Works Chairwoman Barbara Boxer (D-Calif.).

>>

>> Whether a new chairman can win confirmation before Election Day, given the delay in taking up Svinicki and the already intense partisan gridlock in the upper chamber, remains to be seen.

>>

>> But one Senate aide closely involved in NRC issues described the resignation as an "opportunity," given that the safety-minded Jaczko first walked the path to confirmation alongside Svinicki.

>>

>> "If you were able to pair [Svinicki] with a strong nominee for the chairmanship, you might have a package that could potentially move" through even the political quicksand of the pre-election season, the aide said, speaking candidly on condition of anonymity.

>>

>> Key to winning support from Reid, Boxer, Sen. Bernie Sanders (I-Vt.) and other Svinicki skeptics will be naming a new chairman whose safety record is seen as equal to Jaczko's. Elevating a current commissioner such as William Magwood, a Democrat who joined in criticizing Jaczko's management style and has voted against some safety reform proposals, the Senate aide added, would be a nonstarter.

>>

>> "Magwood's record is just deplorable," the aide said, adding, "I can't see any scenario" in which his elevation could successfully advance alongside Svinicki's reconfirmation.

>>

>> Why now?

>>

>> Some sources say the chairman's resignation was prompted by the circulation of an NRC inspector general report that could shine a negative light on Jaczko and the Obama administration heading into a tough election year.

>>

>> The chairman held a hastily arranged news conference last month in which he denied accusations by Magwood and other colleagues that he bullied NRC female staffers and confirmed the inspector general was conducting an investigation.

>>

>> "The IG report clearly should have been done by now; I understand it's been done and he's seen it," said Lake Barrett, former head of the Energy Department's Office of Civilian Radioactive Waste Management. "I'm sure that report is not flattering for the chairman or the administration."

>>

>> Some senior Democrats contend the chairman was pushed out of his position for taking a firm position on nuclear safety and trying to bring about change in the safety culture at NRC.

>>

>> "For his efforts to hold the nuclear industry accountable, Chairman Jaczko was subjected to repeated personal attacks made by some of his colleagues and pro-industry advocates in Congress," Sanders said in a statement. "I am extremely disappointed he is leaving the Commission."

>>

>> Reid did not address the ongoing controversy surrounding the nuclear waste repository at Yucca Mountain in Nevada – which Jaczko helped shut down and continues to fuel Democratic concerns with Svinicki.

>>

>> After thanking his former aide for focusing on improving nuclear safety, Reid said in a statement he expects that the chairman's successor will share a strong commitment to protecting the public over the nuclear power industry.

>>

>> Environment and Public Works Committee ranking member James Inhofe (R-Okla.) said Jaczko was right to step down after several reports surfaced that he withheld information on the Yucca Mountain nuclear waste dump. He was also accused by his colleagues – two Republicans and two Democrats – of withholding information, bullying staff and creating a "chilled" work environment.

>>

>> "Throughout his time at the NRC, it was abundantly clear that Chairman Jaczko used his office to undermine the NRC to the point

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that all four of his fellow commissioners wrote to the president to ask for assistance as a last resort," Inhofe said in a statement. "With his resignation today, the NRC can focus on its mission of safety without the distractions of Jaczko's inappropriate behavior."

>>

>> House Oversight and Government Reform Chairman Darrell Issa (R-Calif.) said Jaczko's decision to step down closes "an ugly chapter," disputing the Democratic contention that Jaczko's safety record had earned him influential enemies.

>>

>> "This was never about nuclear safety, but rather poor leadership that created an abusive and hostile work environment," Issa said in a statement.

>>

>> Senate Minority Leader Mitch McConnell (R-Ky.) and Sen. Lisa Murkowski of Alaska, the top Republican on the Energy and Natural Resources Committee, hailed Jaczko's departure and called for a quick reconfirmation of Svinicki, whose term expires at the end of next month.

>>

>> Moving her nomination through the Senate that quickly, however, could rest in large part on the speed and reception for Jaczko's replacement.

>> Safety focus

>>

>> Jaczko said in a statement that the agency under his leadership responded with "an impressive focus" to last year's nuclear disaster that erupted in Japan. A magnitude-9 earthquake and tsunami struck the Fukushima Daiichi nuclear complex in March 2011, triggering core meltdown in three reactors, a radioactive release and multiple evacuations. NRC also responded promptly to floods, earthquakes and tornadoes that damaged reactors across the country, Jaczko said.

>>

>> The agency is in the process of creating new rules to ensure that U.S. reactors can withstand floods, earthquakes and other natural disasters that could cut power to the facilities.

>>

>> The Nuclear Energy Institute in a statement acknowledged having had "significant differences" with Jaczko on how best to ensure reactor safety but "to his credit we've always had open lines of communications and a willingness to respectfully discuss the issues."

>>

>> NEI applauded his "unswerving commitment to nuclear safety, especially in the aftermath of Japan's nuclear crisis."

>>

>> Jaczko said he will continue to oversee the safety of the country's 104 operating nuclear reactors until his successor is confirmed. He is scheduled to visit the Summer plant between Columbia, S.C., and Charlotte, N.C., tomorrow.

>>

>> Jaczko has often touted his firm stance on nuclear safety and said in a statement that NRC under his leadership swiftly responded to last year's Japan disaster.

>>

>> "In addition to this vigilant oversight, together we identified and began to implement lessons learned from Fukushima and completed our rigorous safety reviews for the first new reactor licenses in 30 years," Jaczko said. "We stand as a stronger and more decisive regulator now because of these years of efforts. I am truly humbled by the agency's success."

>>

>> Jaczko said it has been an "honor and privilege" to serve as NRC chairman.

>>

>> "I will always be grateful for the opportunity of having served alongside the staff for all of these years, and for all that we accomplished together," he said. "I am looking forward to bringing all I have learned from my work and focus on safety at this agency with me as I move forward."

>>

>> Sen. Fasano to PSC: Stop utility advance fees for nuclear projects<<http://s.newsedg.com/RCNhE4PJ>>

>> Tampa Bay Times, 5-19-12

>>

>> Sen. Mike Fasano, R-New Port Richey, Fla., this week called on the state Public Service Commission to stop allowing utilities to charge customers in advance for new nuclear projects.

>>

>> In a letter Thursday, Fasano told the five-member commission that advance fees called the "nuclear cost recovery clause" have added an extra burden to consumers.

>>

>> He said the fees are most troubling to him because they are "for projects that have no time line for completion, no benchmarks to meet, no limits on the ever-increasing expenses, and no guarantee or requirement that they even be completed."

>>

>> Progress Energy and Florida Power & Light want to build nuclear plants in Florida and are upgrading their existing reactors to increase the amount of power they can generate.

>>

>> Progress proposes to build the most costly nuclear plant in U.S. history, totaling as much as \$24 billion. Customers already are paying \$1.1 billion toward the Levy County project, though Progress has not yet determined whether it will build it.

>>

>> "It is time for the Commission to exercise its authority ... and deny any further NCRC recovery," said Fasano, who voted for the

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law that created the fee but now wants it repealed. "The staggering and spiraling cost of the projects coupled with the bill's impact to ratepayers demands it."

>>

>> NATO activists, anarchists set sights on Charlotte<<http://s.newsedge.com/G6BHfe0J>>

>> Charlotte Observer, 5-21-12

>> By Cleve R. Wootson Jr. and Fred Clasen-Kelly

>>

>> CHICAGO – Activists who staged a massive protest march at the NATO summit here Sunday vowed to bring thousands of demonstrators to Charlotte during the Democratic National Convention.

>>

>> One of the largest rallies in Chicago in years unfolded peacefully when an estimated 4,000 anti-war protesters marched and held an emotional ceremony in which veterans turned in war medals.

>>

>> But around 6 p.m. a small band of protesters believed to be anarchists clashed with police and reportedly threw bricks and other objects at officers, injuring one. Officers outnumbered protesters and dragged several away.

>>

>> Officers wore riot helmets and made a show of force as they used batons to force a crowd of unruly protesters who refused to leave in another direction.

>>

>> The confrontation came one day after demonstrators clashed with police. Saturday night, several hundred people marched in front of landmark buildings and through residential neighborhoods, blocking buses and other motorists.

>>

>> The events are significant to Charlotte because protest groups are planning to converge on the city en masse, hoping to cast media attention on issues ranging from economic inequality and war to the environment.

>>

>> Charlotte-Mecklenburg police officers helping provide security for the NATO summit, including Chief Rodney Monroe, got a lesson Sunday on what might happen at the DNC. They gathered in a downtown park with gas masks but did not appear to be directly involved in the late afternoon standoff.

>>

>> Charlotte Deputy Chief Harold Medlock also attended and said Sunday that the protest groups present in Chicago are "a pretty good representation" of who will demonstrate here.

>>

>> Medlock also said Charlotte officials expect about as many protesters as appeared in the Chicago rally Sunday, though organizers hope to attract as many as 10,000.

>>

>> A socialist group handed out newspapers urging others to fight "imperialism" by attending the Democratic convention and the Republican National Convention in Tampa.

>>

>> Jerry Goldberg, a Detroit attorney who works with a coalition to stop foreclosures, said he attended a meeting two weeks ago in Charlotte to prepare to demonstrate at the DNC.

>>

>> "Take a look at Detroit and you'll see what Bank of America has done to us," Goldberg said.

>>

>> The Rev. Jesse Jackson attended the rally and said his Rainbow Coalition is planning to attend the DNC. "Charlotte is the gateway to the New South," he said. "The New South has such a great opportunity to lead the country."

>>

>> Sunday's protests were the first action CMPD officers have seen in Chicago. The officers wore typical Charlotte-Mecklenburg police uniforms but with gas masks attached to their leg. Around their right biceps, all the officers wore a bar code that would be scanned if they made an arrest to identify the officer.

>>

>> "We're very happy to help a brother agency," said Acting Deputy Chief Doug Gallant. "This will help with (the DNC), but I think it will also help with just regular policing. We have smaller protests in Charlotte all the time."

>>

>> Chicago police have tried different strategies to keep protests under control.

>>

>> During the day, officers appeared mostly in their regular uniforms, their batons tucked away. At night, most officers responding to protests wore helmets with clear plastic face guards. Some could be seen holding their batons in front of them.

>>

>> Officers have allowed demonstrators to walk through streets, at times backing up traffic.

>>

>> Medlock, who is overseeing the department's planning for the DNC, said Chicago's policy of seemingly ceding downtown streets to protesters would not be the sole tactic used in Charlotte.

>>

>> "We might at different times of the day employ different tactics," Medlock said.

>>

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>> At the DNC, police will keep gas masks at the ready, but Medlock said plans call for officers to dress normally with bulletproof vests beneath their uniforms.

>>

>> He said officers would have access to riot shields and helmets.

>>

>> Protester David Roberts, 30, said he participated in Saturday night's impromptu marches that saw clashes between protesters and police. Roberts said an officer struck him with a baton when protesters tried to push through a line of police blocking a street and police pushed them back.

>>

>> After trying to redirect marchers with limited success, police allowed a group of protesters to march freely through streets, stopping traffic as they made turns through outlying neighborhoods.

>>

>> Roberts said he supported that approach by police.

>>

>> "Why not let us march where we want to march? It's a peaceful protest," Roberts said.

>>

>> Roberts said he was protesting NATO's use of military force to dictate foreign policy that violated the human rights of citizens in foreign countries. Roberts, who participates with Occupy protests and supports the Communist Party, said he expects to travel to Charlotte for the DNC.

>>

>> Jordan Farrar, 28, of Chicago said he is a Communist Party organizer and plans to move to Myrtle Beach to help organize workers and protests for the Democratic National Convention. He described his views as pro-labor and pro-civil rights.

>>

>> Janet Ulrich, a Chicago resident, walked through the crowd out of curiosity as her husband snapped pictures.

>>

>> She said she did not mind the disruptions brought the NATO summit.

>>

>> "I don't think it hurts anything," Ulrich said. "They have a right to be out here. I don't agree with everything I'm seeing. Some of it."

>>

>> DNC Protests: Whom to Watch

>>

>> Organizers with the Coalition to March on Wall Street South hope to bring up to 10,000 protesters to Charlotte for the Democratic National Convention in September.

>>

>> The coalition held a national conference in Charlotte last month and represents more than 60 organizations from across the country, including Occupy, labor, peace and anti-war groups. Other groups also plan to attend.

>>

>> Protest groups to watch include:

>>

>> • Occupy: A loose-knit network of groups across the country inspired by the Occupy Wall Street demonstrations against government bank bailouts and the behavior of trading firms during the economic recession. The groups are mainly concerned with government policies and corporate practices they think exacerbate a growing divide between the working classes and economic elite.

>>

>> • United National Anti-war Coalition: A national affiliation of religious and human rights groups advocating an agenda that is against war, and for jobs, health care, housing and education.

>>

>> • National Nurses United: A nursing union concerned with economic fairness issues and access to health care. It advocates placing a transaction tax on Wall Street trades to help fund social and health care programs.

>>

>> • Workers World Party: A socialist group based on the ideology of Karl Marx and Vladimir Lenin that supports socialist causes and opposes both the Democratic and Republican parties — "two capitalist parties that have always supported imperialist war and plunder," the party says.

>>

>> • Anarchists: An amorphous category of protesters who oppose all aspects of government authority. They have frequently been blamed for damaging property and inciting violence during demonstrations using "black bloc" methods — dressing in black clothing, hoods and bandannas that cover their faces.

>>

>> With Natural Gas Plentiful and Cheap, Carbon Capture Projects Stumble<<http://s.newsedge.com/8UaYUZZ6>>

>> New York Times, 5-18-12

>> By Matthew Wald

>>

>> WASHINGTON — A federal proposal to ban the construction of coal-fired power plants that release all of their carbon dioxide into the atmosphere would seem to smooth the way for carbon capture, a budding technology that traps the greenhouse gas for storage or other uses.

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>> But even as the Environmental Protection Agency prepares to open hearings on the proposed rule, unveiled in March, industry experts say the persistently low price of natural gas is threatening the viability of the nation's carbon capture projects.

>>

>> Natural gas is so cheap and plentiful that utilities have little incentive to build coal-fired plants with the capture technology. And the proposed rule exempts existing coal- and gas-fired plants.

>>

>> In the tiny universe of American carbon capture projects, the first casualty may be the Taylorville Energy Center, a project in the coal fields of Illinois. The plan was to cook coal into methane, capture the carbon dioxide released in the process, then burn the methane in a conventional natural gas-style power plant.

>>

>> But Taylorville's backers, unable to persuade the state legislature to approve the project because of its estimated \$3.5 billion price, are considering deferring the coal element and simply building the gas-burning plant for one-third the cost.

>>

>> "It's primarily due to the low natural gas prices, and how that affects the political environment," said Bart Ford, a vice president of Tenaska, the developer. "We're not changing the nature of the facility, just deferring the synthetic natural gas portion."

>>

>> Still, Tenaska is continuing to seek permits to inject carbon dioxide underground at the site, Mr. Ford said. "This allows us to say, we'll wait until the price impact is lower because the price of natural gas is up," he said.

>>

>> Making synthetic natural gas from coal makes economic sense only if the ordinary natural gas that it displaces is more expensive.

>>

>> The advent of hydraulic fracturing, a drilling method that has opened vast new supplies of natural gas, has helped to keep gas prices low. The industry's expectation is that the price will rise somewhat from its current depressed level — near \$2 per million B.T.U., compared with as much as \$14 before the recession — but that it will not recover fully for many years.

>>

>> Edwardsport, a "capture-ready" Duke Energy coal plant, is scheduled to begin commercial operation this year. The plant, in Edwardsport, Ind., will cook coal into a fuel gas and could be retrofitted to capture carbon dioxide released in that conversion. But Duke, the builder, has no plan to capture the carbon dioxide and no place to sequester it for now. It is exempted from the new rule because construction began five years ago.

>>

>> The plant cost nearly \$3 billion to build, about \$1 billion over budget, and carbon capture would cost \$380 million, not counting storage.

>>

>> Only two other major carbon capture projects are on the drawing boards in the United States. Neither is affected directly by low natural gas prices. But the ebbing interest in coal-fired construction may signal that even if the technology works well, there may be few commercial projects where it could be deployed.

>>

>> One is FutureGen 2.0, a \$1.6 billion plan to burn coal in oxygen, generating exhaust gas that is pure carbon dioxide, and pumping it into geologic formations thousands of feet below the earth's surface.

>>

>> The Recovery Act of 2009 is covering \$1 billion of the cost of the project, which is in Meredosia, Ill. But the project, originally expected to be running by 2015, has run into a variety of bureaucratic problems and is now scheduled to be in service in 2017, barring further delays. An earlier version, FutureGen, was rejected by the Energy Department in 2008 to save money.

>>

>> The other venture is the Southern Company's Kemper County project in Mississippi, which will turn coal into a cleaner gas and use it to power a turbine. The captured carbon dioxide is expected to be sold and travel through a pipeline to Texas, where it will be pumped under ground to force oil out of old oil fields, a process known as enhanced oil recovery.

>>

>> At the moment the market prospects look favorable, given that the price oil drillers will pay for the carbon dioxide depends partly on the price of oil, which is relatively high. But construction is just beginning, so the long-term picture is unclear. The plant is expected to start operating in 2014.

>>

>> Some in the power industry are debating whether the Obama administration's carbon regulation will be blocked by Congress or a new administration. Still, the absence of a rule would not change the economic equation discouraging investment in capture technology for coal plants.

>>

>> Kelly Ziegler, a spokeswoman for the Regional Greenhouse Gas Initiative, a nine-state consortium on the East Coast that seeks to limit carbon dioxide output, said that no regulation was necessary to stop new coal plants. "Natural gas has already done that for you," she said.

>>

>> Hearings on the rule are to begin on May 24, and the E.P.A. is taking public comments until June 25. The agency may issue a final rule this year.

>>

>> Indiana Steel Mill Revived With Lessons From Abroad<<http://s.newsedge.com/RTbunL>>

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>> Wall Street Journal, 5-21-12  
 >> By John W. Miller  
 >>  
 >> BURNS HARBOR, Ind.—Some steel mills are destroyed by globalization, others reborn.  
 >>  
 >> Left for dead a decade ago, this 50-year-old facility on the shores of Lake Michigan has been rejuvenated thanks to an unusual experiment by its owner, Luxembourg-based ArcelorMittal.  
 >>  
 >> In 2008, Burns Harbor was "twinning" with a hypermodern mill in Gent, Belgium. Over 100 U.S. engineers and managers, who were flown across the Atlantic, were told: Do as the Belgians do.  
 >>  
 >> Burns Harbor now enjoys record output. Its furnaces, where steel is made out of iron ore, coal and limestone, are run with software developed in Belgium. Robots are in. Pencils are out. Workers are learning to make the same amount of steel with nearly half the people it employed three decades ago. Productivity is nearing Belgian levels.  
 >>  
 >> The transition hasn't been seamless. As a collective bargaining session looms this summer, union leaders say a tough battle is expected over wages, safety risks and the next wave of automation. But there is also an acknowledgment that increased productivity has saved the mill from oblivion.  
 >>  
 >> American manufacturing—from chemicals to washing machines—is growing again. Spurred by stable labor costs, weaker unions and low natural gas prices, today's manufacturers have emerged from the recession far different from what they were even a decade ago. They employ more highly skilled workers, are more automated and have far fewer workers.  
 >>  
 >> Globalization often is blamed for the travails of American manufacturing—from the relentless pressure of imports from lower-wage countries to outsourcing and overseas production by U.S.-based manufacturers. But globalization has its upsides as well. Not only does it often mean cheaper goods for American manufacturers, but it puts pressure on U.S. factories to become more efficient to keep up with global competition, making it possible for them to survive.  
 >>  
 >> Burns Harbor is a case in point. Outside of the U.S., steel was long dominated by state-backed companies that fed their nation's appetite for cars, construction beams and washing machines. A wave of globalization in the 1980s created a true international steel market, straining less-profitable mills, especially in the U.S., and leading many to bankruptcy. The U.S. steel industry produced 95.6 million tons in 2011, about three-quarters of what it made 30 years ago. It employed 150,700 people, one-third as many as in 1981, according to the American Iron and Steel Institute.  
 >>  
 >> That laid the groundwork for Lakshmi Mittal, the billionaire Indian who began assembling what is now the world's first successful international steel conglomerate of its size, and the largest by production, with 263,000 employees in 20 countries and 112 steelmaking facilities.  
 >>  
 >> Mr. Mittal perfected a simple business model: Buy rundown, often state-owned, mills, cut costs, lay off workers, improve productivity, turn a profit. It worked from Slovakia to South Africa, from Ukraine to Trinidad.  
 >>  
 >> Twinning—benchmarking two mills against each other—represents the next evolution. "The process doesn't change: melt iron, cast, roll. But there are always incremental improvements you can make," Mr. Mittal said in an interview.  
 >>  
 >> Modern benchmarking was pioneered by Xerox in the 1980s and has become a common tool for multinationals. But industrial historians say that what Mr. Mittal is actually doing is taking a page out of the productivity-obsessed playbook of 19th-century steel pioneer Andrew Carnegie and applying it globally. "The foremen of the blast furnaces on the Allegheny competed on monthly outputs," says David Hounshell, a professor of industrial history at Carnegie Mellon University.  
 >>  
 >> Many in the industry thought high wages would permanently sink the U.S. steel industry. Workers at Burns Harbor averaged about \$80,000 in wages and benefits in 2011, up about 14% from 2007.  
 >>  
 >> But the Belgian mill's labor costs have long been even higher. While Gent's wages are on par with Burns Harbor, the country's tax structure, including generous education credits and child care benefits, can boost the total cost of employing each worker to over \$150,000. That prompted managers there to invest in more automation, giving Gent a competitive edge.  
 >>  
 >> Now, the Burns Harbor plant is following suit.  
 >>  
 >> Burns Harbor, just south of Chicago, was built by Bethlehem Steel in 1964 as a supplier for Detroit's booming car industry—its coils sculpted into Fords, Chevys and Chryslers. The mill, a massive complex covering 3,300 acres and filled with industrial buildings housing giant furnaces, rail lines and a power station, came to dominate and define the economy in this town of 1,200. Its taxes have long provided about 90% of the town's revenue.  
 >>  
 >> Because of its high labor costs, it struggled against low-cost Asian imports in the 1980s as well as auto maker woes in the 1980s and 1990s. The mill went bankrupt in 2002, decimating the town's economy. International Steel Group, owned by investor Wilbur

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Ross, took over, cut costs and sold it to then Mittal Steel in 2005.

>>

>> Mittal managers coveted the proximity to car makers and the mill's workhorse reputation. But when they arrived, they were dismayed to find out-of-date equipment and workers, many who joined the mill right out of high school, still using pencil and paper to calculate the right mix of iron ore, coking coal and limestone for every batch of steel.

>>

>> "It had not enjoyed the same level of investment as peer facilities in other parts of the world, such as Europe," says Madhu Ranade, the mill's general manager.

>>

>> The Gent plant was also built in 1964. And even today it gleams like a shimmering new car, its walls painted white and its linear layout along a canal giving it a sense of orderly progression. It has enjoyed almost unbroken prosperity, thanks to occasional state investments as well as its presence in the wealthy region of Flanders.

>>

>> "We've pretty much always had investments, and in the last 20 years, a lot has been in IT," says Renaat De Witte, a union rep. Much of the automation was driven by high labor costs. "So we've always pushed productivity hard," says Vincent Van Quickenborne, the country's economy minister.

>>

>> "Gent really is one of the best mills in the world," says Peter Marcus, president of World Steel Dynamics, an Englewood Cliffs, N.J.-based consultancy. The measure his company favors, man-hours per ton, shows Gent at 1.25 and Burns Harbor behind at 1.32. "Those are both currently among the better numbers in the world," he says. The average in the U.S. is 2.0.

>>

>> Mr. Mittal said Gent was a star. "We wanted Burns Harbor to be more like Gent." Thus the development of the twinning program, which began in late 2007, and accelerated after the U.S. recession put a premium on productivity.

>>

>> That year, Larry Fabina, a hulking 56-year-old engineer from Johnstown, Pa., who had worked at the mill since 1973, traveled to Belgium, where he toured the medieval town and spent six weeks taking careful notes at the mill.

>>

>> After seeing the level of automation in Belgium, it wasn't hard to see what needed to be done back home. For example, in Gent, a computer coordinates the movement and processing of iron steel slabs, while in Burns Harbor, workers relied largely on phone calls, paper and brain power.

>>

>> One Belgian computer model called Coordi tells workers when to pour liquid iron into ladles, when to mix in alloys and when to cast the steel into slabs, which is critical in avoiding expensive reheating of steel.

>>

>> There were other smaller, but significant details. The Gent mill used a different type of nozzle attached to huge hoses that were used to remove flakes from 2,000-degree steel. Placed at a more efficient angle, the same amount of surface impurities could be removed with less water. Welders cut coils of steel to order, which kept waste to a minimum.

>>

>> When Burns Harbor engineers returned, they made the quick and easy fixes first. They changed hose nozzles and moved the nozzle on 2,500-horsepower hoses used to scrub flakes off the steel closer, thus reducing the amount of power needed to propel the water. Those two changes saved the Indiana plant \$1.4 million in energy costs, the company said.

>>

>> Workers were directed to trim less rough steel off the sides of coil, saving the equivalent of 725 coils a year. "That's 17,000 cars," says Mr. Fabina, the mill's manager for continuous improvement.

>>

>> Adopting the Coordi computer model took longer. Workers used to gathering information on their own and relying on experience and intuition had to attend classes on computer modeling.

>>

>> Last year, Burns Harbor implemented Coordi at a cost of under \$1 million. Since then, the mill has increased the average number of 298-ton caldrons of molten steel it produces daily, known as "heats," to 50 from 42.

>>

>> Before "you'd write everything down on paper during the day, and then at the end of the day, type all the data into a computer," says Mike Williams, a furnace operator. Now "we watch everything come in during the day on computer screens." Expected savings: \$1.3 million annually.

>>

>> Inside a control room overlooking a red hot bucket of liquid ore, Chuck Shippen, a bearded man in his 60s, sits next to Mr. Williams. When the new computer system was introduced, they and other longtime workers had to be retrained.

>>

>> Taking notes and tests was a big change. Mr. Shippen says his job is different but better now. "It is a little different to watch the screens here than to make 30 phone calls a day to collect information," he says.

>>

>> Other longtime workers had to assume jobs they didn't have to do before. Paul Gipson, a 68-year-old electrical power inspector for most of his 44 years at Burns Harbor, says he and other senior workers have found themselves performing rote tasks he once delegated, like fixing light bulbs.

>>

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>> Such changes caused frustration among some workers, union leaders say. This summer, the union expects another tough bargaining battle. The United Steelworkers negotiates a single contract for all 12 of ArcelorMittal's U.S. facilities.

>>

>> Despite the success of Burns Harbor, other mills and plants aren't faring as well, prompting company officials to argue that steelworkers are overpaid compared with other manufacturing jobs. "The way this company's talking, this battle is not going to be for the timid," says Pete Trinidad, a union rep at the mill.

>>

>> While rank-and-file workers have been adjusting, managers have been under their own kind of pressure. In 2008, managers were told to equal Gent's record of 900 tons of steel per person per year, up from 800 at the time.

>>

>> ArcelorMittal replaced parts and equipment throughout the plant, including an upgrade to its continuous heat treatment line, which allows engineers to cook and cool the steel to make it lighter and more durable.

>>

>> A big issue was getting the timing right.

>>

>> "If we cannot properly pace the shop," steel gets delayed, cools and has to be reheated at cost, says Mehmet Ataman, Burns Harbor's 36-year-old Operations Technology Manager, who traveled to Belgium to figure out how to avoid the reheating. "Temperature is money in this business," he says.

>>

>> Mr. Ataman represents the new type of worker at the plant, which is hiring more people with computer and engineering degrees who understand automation and complex electronics.

>>

>> "Steel working used to be 80% back and 20% brain, now it's the other way around," says Mr. Trinidad, the union rep, who started when the plant employed 6,700 workers in 1974. Now it has 3,700.

>>

>> Twinning, workers say, has helped avoid catastrophe. In 2008, as the global economy was melting down, ArcelorMittal said it would need to lay off 2,444 workers at Burns Harbor. After negotiations with the union, 500 workers left voluntarily, and 900 agreed to work 32-hour weeks. No layoffs have been made since.

>>

>> Since then, ArcelorMittal has invested a total of \$150 million in overall capital improvements in the Indiana mill and the mood locally is more confident. Sarah Harvey, co-owner of the Lil' Off The Top barbershop nearby, says the couple dozen steelworkers who come in each week have "been tipping better recently."

>>

>> Burns Harbor achieved a record slab production of 4.8 million tons in 2011, says Bill Steers, the company spokesman, compared with 5 million at Gent. Productivity is almost at 900 tons per employee per year, while Gent has improved to around 950. "Much of this can be attributed to twinning," says Mr. Steers.

>>

>> ArcelorMittal executives say they are focused on pushing even harder. At a recent meeting, Gent managers boasted they would soon reach 1,100 tons per employee. Burns Harbor managers declined to comment on whether that is feasible.

>>

>> But they are exploring robotic cranes like those used in Gent.

>>

>> How far can the automation go? "That's an open question," says Mr. Ranade, the Burns Harbor manager, when asked if he could one day run the mill by himself with an iPad.

>>

>> This newsletter was brought to you by the Corporate Media Relations team. To opt out of this newsletter or to provide feedback regarding the content of this newsletter, please contact Tom Shiel<<mailto:Tom.shiel@duke-energy.com>>.

>> <WLWT\_05-18-2012\_18.00.38.mp4>

DUKE\_NCUC\_00001439

DUKE\_NCUC\_00001439-A

**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 1:36 PM  
**To:** Jim.Rogers@duke-energy.com  
**Subject:** Re: South Carolina

---

Am happy to contribute as it brings value....think leadership point person in SC is positive for our team...understand not my call.

In a message dated 5/16/2012 11:49:29 A.M. Eastern Daylight Time, Jim.Rogers@duke-energy.com writes:

I welcome your advice--no one on our team knows SC the way you do.

---

**From:** William Barnet [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 11:42 AM  
**To:** Rogers, Jim  
**Subject:** Re: South Carolina

Ok. I am not suggesting I intrude, but this market needs that presence. Thanks

Sent from my iPhone

On May 16, 2012, at 11:39 AM, "Rogers, Jim" <Jim.Rogers@duke-energy.com> wrote:

Bill, we are focused now on finding someone who could replace C. My plans are to maintain are presence and support of SC. I am talking with Bill J tomorrow to make sure there is no difference of opinion on this critical point.

I am in NY today and will be back late tonight in C. Let's discuss tomorrow. I would welcome your advice as to the way forward. We should talk after I talk to Bill.

All the best,  
Jim

---

**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 11:28 AM  
**To:** Rogers, Jim  
**Subject:** South Carolina

Not sure next steps in the post CH era, and understand complexity of shadow of merger, but would love to chat sometime about this position...I feel you were right in noting the need for that kind of leadership in this market and would hope we can retain that role going forward....can expand, when appropriate.

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DUKE\_NCUC\_00001440-A



**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Wednesday, May 16, 2012 11:49 AM  
**To:** Barnet3, W - [Redacted - Personal Info]  
**Subject:** Re: South Carolina

---

I welcome your advice--no one on our team knows SC the way you do.

---

**From:** William Barnet [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 11:42 AM  
**To:** Rogers, Jim  
**Subject:** Re: South Carolina

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All the best,  
Jim

---

**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 11:28 AM  
**To:** Rogers, Jim  
**Subject:** South Carolina

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DUKE\_NCUC\_00001441

DUKE\_NCUC\_00001441-A

**From:** William Barnett [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 11:43 AM  
**To:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Re: South Carolina

---

Ok. I am not suggesting I intrude, but this market needs that presence. Thanks

Sent from my iPhone

On May 16, 2012, at 11:39 AM, "Rogers, Jim" <Jim.Rogers@duke-energy.com> wrote:

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All the best,  
Jim

---

**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 11:28 AM  
**To:** Rogers, Jim  
**Subject:** South Carolina

Not sure next steps in the post CH era, and understand complexity of shadow of merger, but would love to chat sometime about this position...I feel you were right in noting the need for that kind of leadership in this market and would hope we can retain that role going forward....can expand, when appropriate.

Confidential

DUKE\_NCUC\_00001442

DUKE\_NCUC\_00001442-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Wednesday, May 16, 2012 11:40 AM  
**To:** Barnet3, W - [Redacted - Personal Info]  
**Subject:** Re: South Carolina

---

Bill, we are focused now on finding someone who could replace C. My plans are to maintain are presence and support of SC. I am talking with Bill J tomorrow to make sure there is no difference of opinion on this critical point.

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All the best,  
Jim

---

**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 11:28 AM  
**To:** Rogers, Jim  
**Subject:** South Carolina

Not sure next steps in the post CH era, and understand complexity of shadow of merger, but would love to chat sometime about this position...I feel you were right in noting the need for that kind of leadership in this market and would hope we can retain that role going forward....can expand, when appropriate.

DUKE\_NCUC\_00001444

DUKE\_NCUC\_00001444-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Wednesday, May 16, 2012 11:42 AM  
**To:** 'amgray' [Redacted - Personal Info]  
**Subject:** Fw: South Carolina

---

Ann, FYI. Have a fun day.

---

**From:** Rogers, Jim  
**Sent:** Wednesday, May 16, 2012 11:39 AM  
**To:** Barnet3, W - [Redacted]  
**Subject:** Re: South Carolina

Bill, we are focused now on finding someone who could replace C. My plans are to maintain are presence and support of SC. I am talking with Bill J tomorrow to make sure there is no difference of opinion on this critical point.

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All the best,  
Jim

---

**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 11:28 AM  
**To:** Rogers, Jim  
**Subject:** South Carolina

Not sure next steps in the post CH era, and understand complexity of shadow of merger, but would love to chat sometime about this position...I feel you were right in noting the need for that kind of leadership in this market and would hope we can retain that role going forward....can expand, when appropriate.

DUKE\_NCUC\_00001443

DUKE\_NCUC\_00001443-A

**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Wednesday, May 16, 2012 11:28 AM  
**To:** jim.rogers@duke-energy.com  
**Subject:** South Carolina

---

Not sure next steps in the post CH era, and understand complexity of shadow of merger, but would love to chat sometime about this position...I feel you were right in noting the need for that kind of leadership in this market and would hope we can retain that role going forward.....can expand, when appropriate.

DUKE\_NCUC\_00001445

DUKE\_NCUC\_00001445-A

**From:** Alex Bernhardt [Redacted - Personal Info]  
**Sent:** Saturday, June 30, 2012 10:35 PM  
**To:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Cc:** Rhodes, Jim [Redacted - Personal Info]; Barnet3, W - [Redacted - Personal Info]  
Reinsch, Jim [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Rogers,  
Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Re: INPO evaluation- Catawba

---

Dhiaa,

Overall , this sounds positive. But , we will await the final INPO verdict before getting overly ebullient. Let us know , as always , how we can support you and the team , in whom we take much justifiable pride.  
Alex

Sent from my iPad

On Jun 30, 2012, at 8:11 PM, "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com> wrote:

**Redacted – Sensitive Nuclear Operations**

DUKE\_NCUC\_00001446

DUKE\_NCUC\_00001446-A

**Redacted – Sensitive Nuclear Operations**

DUKE\_NCUC\_00001447

DUKE\_NCUC\_00001447-A

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Saturday, June 30, 2012 10:12 PM  
**To:** Rhodes, Jim [Redacted - Personal Info]; Barnet3, W [Redacted - Personal Info]  
Reinsch, Jim [Redacted - Personal Info]; Bernhardt, Alex [Redacted - Personal Info]  
[Redacted - Personal Info]; Sharp [Redacted - Personal Info]  
**Cc:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** INPO evaluation- Catawba

---

Dear NOC,

**Redacted – Sensitive Nuclear Operations**

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DUKE\_NCUC\_00001448-A



**Redacted – Sensitive Nuclear Operations**

DUKE\_NCUC\_00001449

DUKE\_NCUC\_00001449-A

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Friday, June 29, 2012 2:50 PM  
**To:** DiMicco, Dan [Redacted - Personal Info]  
**Cc:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** RE: U.S. partners with China on new nuclear | SmartPlanet

---

# Notice of Appeal

Dhiaa.

-----Original Message-----

**From:** DiMicco, Dan [Redacted - Personal Info]  
**Sent:** Friday, June 29, 2012 10:44 AM  
**To:** Jamil, Dhiaa M  
**Cc:** Rogers, Jim  
**Subject:** U.S. partners with China on new nuclear | SmartPlanet

<http://www.smartplanet.com/blog/intelligent-energy/us-partners-with-china-on-new-nuclear/17037>

Dhiaa

What do you think about this technology?

Dan

DUKE\_NCUC\_00001450

DUKE\_NCUC\_00001450-A

**From:** Alex Bernhardt [Redacted - Personal Info]  
**Sent:** Sunday, April 15, 2012 12:00 PM  
**To:** Wbarnet [Redacted - Personal Info]  
**Cc:** ejreinsch [Redacted - Personal Info]; jim.rogers@duke-energy.com; rhodesjt [Redacted - Personal Info]; sharp [Redacted - Personal Info]  
**Subject:** Re: Summary Report

---

As Bill says so well here, their report seems to have negative, accusatorial slant. I am concerned about the tone of the questions.  
Alex

>  
> From: |  
>  
>----->  
> |Wbarnet [Redacted - Personal Info] |  
>----->  
>  
> To: |  
>----->  
> |rhodesjt [Redacted - Personal Info]; alexbernhardt [Redacted - Personal Info]; ejreinsch [Redacted - Personal Info]; sharp [Redacted - Personal Info] |  
>----->  
>  
> Cc: |  
>----->  
> |jim.rogers@duke-energy.com |  
>----->  
>  
> Date: |  
>----->  
> |04/13/2012 07:21 PM |  
>----->  
>  
> Subject: |  
>----->  
>  
> [Re: Summary Report |  
>----->

Just to share with this committee, I agree with Jim Rhodes comments....I might add that the results of the fleet performance this past year is a contextual point to be added....It is tough for me to conceive of a better performance given project management (Tornado HELB) to merger integration pressures, etc.... While I heard some of the comments made in this report, feel it is organized in a more negative tone than I would have anticipated.

Just to add my "two cents" ....hope a good weekend.

-----Original Message-----

From: Jim Rhodes [Redacted - Personal Info]  
To: Bill Barnet [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]

DUKE\_NCUC\_00001451

DUKE\_NCUC\_00001451-A

[Redacted - Personal Info]

Cc: Jim Rogers <jim.rogers@duke-energy.com>

Sent: Fri, Apr 13, 2012 5:41 pm

Subject: Fw: Summary Report

Gentlemen--

# Redacted - Privilege

Jim--

----- Forwarded Message -----

From: "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>

To: "Rhodes, Jim" [Redacted - Personal Info]

Cc: "Vaughn, Lisa F." [Redacted - Personal Info] "Nichols, Lara S" <

Lara.Nichols@duke-energy.com>

Sent: Friday, April 13, 2012 1:09 PM

Subject: Summary Report

# Redacted - Privilege

Cheryl Peed

Employee Concerns Manager

Duke Energy

[Redacted - Personal Info]

[Redacted - Personal Info]

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DUKE\_NCUC\_00001453

DUKE\_NCUC\_00001453-A

**From:** Sharp, Phil [Redacted - Personal Info]  
**Sent:** Saturday, April 14, 2012 12:10 PM  
**To:** Wbarnet [Redacted - Personal Info]; rhodesjt [Redacted - Personal Info]; alexbernhardt [Redacted - Personal Info]; ejreinsch [Redacted - Personal Info]  
**Cc:** jim.rogers@duke-energy.com  
**Subject:** RE: Summary Report

---

All of this sounds appropriate. Looking forward to our call.  
Phil

**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Friday, April 13, 2012 7:20 PM  
**To:** rhodesjt [Redacted - Personal Info]; alexbernhardt [Redacted - Personal Info]; ejreinsch [Redacted - Personal Info]; Sharp, Phil  
**Cc:** jim.rogers@duke-energy.com  
**Subject:** Re: Summary Report

Just to share with this committee, I agree with Jim Rhodes comments....I might add that the results of the fleet performance this past year is a contextual point to be added....It is tough for me to conceive of a better performance given project management (Tornado HELB) to merger integration pressures, etc....While I heard some of the comments made in this report, feel it is organized in a more negative tone than I would have anticipated.

Just to add my "two cents"....hope a good weekend.

-----Original Message-----

**From:** Jim Rhodes [Redacted - Personal Info]  
**To:** Bill Barnet [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]  
**Cc:** Jim Rogers <jim.rogers@duke-energy.com>  
**Sent:** Fri, Apr 13, 2012 5:41 pm  
**Subject:** Fw: Summary Report

# Redacted - Privilege

----- Forwarded Message -----

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com<mailto:Cheryl.Peed@duke-energy.com>>  
**To:** "Rhodes, Jim" [Redacted - Personal Info]  
**Cc:** "Vaughn, Lisa F." <[Redacted - Personal Info]>; "Nichols, Lara S" <Lara.Nichols@duke-energy.com<mailto:Lara.Nichols@duke-energy.com>>  
**Sent:** Friday, April 13, 2012 1:09 PM  
**Subject:** Summary Report

# Redacted - Privilege

DUKE\_NCUC\_00001454

DUKE\_NCUC\_00001454-A

Cheryl Peed  
Employee Concerns Manager  
Duke Energy

Redacted - Personal Info

Redacted - Personal Info

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DUKE\_NCUC\_00001455

DUKE\_NCUC\_00001455-A

**From:** Wbarnet [Redacted - Personal Info]  
**Sent:** Friday, April 13, 2012 7:21 PM  
**To:** rhodesj [Redacted - Personal Info]; alexbernhardt [Redacted - Personal Info]; ejreinsch [Redacted - Personal Info]; sharp [Redacted - Personal Info]  
**Cc:** jim.rogers@duke-energy.com  
**Subject:** Re: Summary Report

---

Just to share with this committee, I agree with Jim Rhodes comments.....I might add that the results of the fleet performance this past year is a contextual point to be added.....It is tough for me to conceive of a better performance given project management ( Tornado HELB) to merger integration pressures, etc....While I heard some of the comments made in this report, feel it is organized in a more negative tone than I would have anticipated.

Just to add my "two cents"....hope a good weekend.

-----Original Message-----

**From:** Jim Rhodes [Redacted - Personal Info]  
**To:** Bill Barnet [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]  
**Cc:** Jim Rogers <jim.rogers@duke-energy.com>  
**Sent:** Fri, Apr 13, 2012 5:41 pm  
**Subject:** Fw: Summary Report

# Redacted - Privilege

----- Forwarded Message -----

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**To:** "Rhodes, Jim" [Redacted - Personal Info]  
**Cc:** "Vaughn, Lisa F." [Redacted - Personal Info]; "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
**Sent:** Friday, April 13, 2012 1:09 PM  
**Subject:** Summary Report

# Redacted - Privilege

**Cheryl Peed**  
Employee Concerns Manager

DUKE\_NCUC\_00001456

DUKE\_NCUC\_00001456-A



**Duke Energy**

Redacted - Personal Info

Redacted - Personal Info

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DUKE\_NCUC\_00001457

DUKE\_NCUC\_00001457-A

**From:** E. Jim Reinsch [Redacted - Personal Info]  
**Sent:** Friday, April 13, 2012 6:10 PM  
**To:** Jim Rhodes [Redacted - Personal Info]  
**Cc:** Bill Barnet [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]  
Phil Sharp [Redacted - Personal Info]; Jim Rogers <jim.rogers@duke-energy.com>  
**Subject:** Re: Summary Report

---

Jim,  
Your comments, observations, and request are spot on, thank you. Must admit that as I read this report I questioned whether it reflected what we read and heard at the time we reviewed the initial interviews and investigation?  
Jim

Sent from my iPad

On Apr 13, 2012, at 5:41 PM, Jim Rhodes [Redacted - Personal Info] wrote:

**Redacted - Privilege**

— Forwarded Message —

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**To:** "Rhodes, Jim" [Redacted - Personal Info]  
**Cc:** "Vaughn, Lisa F." [Redacted - Personal Info]; "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
**Sent:** Friday, April 13, 2012 1:09 PM  
**Subject:** Summary Report

**Redacted - Privilege**

**Cheryl Peed**  
**Employee Concerns Manager**

DUKE\_NCUC\_00001458

DUKE\_NCUC\_00001458-A

**Duke Energy**

Redacted - Personal Info

Redacted - Personal Info

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<Duke -Summary of Results of Nuclear Safety Culture Investigation to NOC 4-13-12.doc>

DUKE\_NCUC\_00001459

DUKE\_NCUC\_00001459-A

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Thursday, April 12, 2012 5:48 PM  
**To:** Peed, Cheryl T <Cheryl.Peed@duke-energy.com>  
**Cc:** Bill Barnet [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info]; Jim Rogers <jim.rogers@duke-energy.com>; Phil Sharp [Redacted - Personal Info]  
**Subject:** Re: Proposed NRC Response

---

Cheryl--

Sending it to me by email is fine. I will plan to then forward it to the NOC with any comments I may have.

Jim--

---

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**To:** "Rhodes, Jim" [Redacted - Personal Info]  
**Sent:** Thursday, April 12, 2012 5:32 PM  
**Subject:** RE: Proposed NRC Response

We are planning to send you a copy tomorrow by lunch. Once you are satisfied, we are planning to send the rest of the NOC copies on Monday for our Tuesday call. Once the whole NOC is satisfied, we will send to JER Tuesday afternoon or Wednesday. We plan to meet with him next Thursday, and hope to mail to the NRC next Friday. We are fine tuning the corrective actions with Dhiaa just now.

Do you want us to send the report to the NOC or do you want to send it to the NOC? Do you prefer we Fed Ex the report to you and them or email it?

**Cheryl Peed**  
**Employee Concerns Manager**  
**Duke Energy**

[Redacted - Personal Info]

[Redacted - Personal Info]

*Legal Purposes - This e-mail may contain privileged and confidential information and is intended only for the use of the specific individual(s) to which it is addressed. If you are not an intended recipient of this e-mail, you are hereby notified that any unauthorized use, dissemination or copying of this e-mail or the information contained in it or attached to it is strictly prohibited. If you have received this e-mail in error, please delete it and immediately notify the person named above by reply e-mail. Thank you.*

---

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Thursday, April 12, 2012 4:36 PM  
**To:** Peed, Cheryl T  
**Subject:** Proposed NRC Response

Cheryl--

When do you think you will have a draft of the response ready for NOC review? Do you plan to send a copy to JER concurrent with our review? It might be a good idea if time gets tight.

Jim--

DUKE\_NCUC\_00001460

DUKE\_NCUC\_00001460-A

**From:** Jamil, Dhiaa M <Redacted - Personal Info>  
**Sent:** Tuesday, April 10, 2012 8:59 AM  
**To:** Rhodes, Jim - Redacted - Personal Info; Reinsch, Jim Redacted - Personal Info  
Barnet3, W Redacted - Personal Info Bernhardt, Alex Redacted - Personal Info  
<Redacted - Personal Info>; Sharp - Redacted - Personal Info  
**Cc:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** NRC public meeting held at Oconee last night

---

# Notice of Appeal

---

**From:** Jamil, Dhiaa M  
**Sent:** Tuesday, April 10, 2012 8:10 AM  
**To:** Pettit, Tim; Sipe, Rita B  
**Cc:** Pitesa, Bill; Gillespie, T P Jr; Mackin, Virginia Stone; Weber, Jennifer  
**Subject:** FW: Media heads up - NRC public meeting held at Oconee tonight

# Notice of Appeal

Thanks.  
Dhiaa.

DUKE\_NCUC\_00001461

DUKE\_NCUC\_00001461-A

Below are the meeting minutes and then the TV story.

---

**From:** Magee, Sandra J

**Sent:** Monday, April 09, 2012 8:09 PM

**To:** Gillespie, T P Jr; Batson, Scott L; Pitesa, Bill; Jamil, Dhiaa M; Waldrep, Benjamin C; Guy, Robert H; Ray, Tom; Patterson, Terry L; Media Relations; Heigel, Catherine E

**Cc:** Porter, Jody L; Duckett, Ann A; Stewart, Tonyia K; Wilson, Mike; Miller, Scott; Wilson, Mike; Loomis, Bonnie D; Claunch, Chuck

**Subject:** Media heads up - NRC public meeting held at Oconee tonight

The Nuclear Regulatory Commission held the annual plant performance meeting tonight for Oconee. They reviewed the plant's performance in 2011. The NRC found that Oconee met all NRC safety requirements and protected the public.

3 media outlets attended—WYFF TV4, WSPA TV 7 and the Greenville News.

Only 4 members of the public attended. 2 members from the SC Office of Regulatory Staff attended which they typically do. The meeting lasted approximately 45 minutes.

Preston Gillespie, site vice president, spoke on behalf of Duke Energy and Oconee. He shared:

- The NRC has provided a good review of our performance over the last year. We agree with the NRC that Oconee has operated safely.
- The NRC has an important role in the nuclear industry. Their assessments provide value to us and to the safety of the plant.
- As a reflection of Oconee's safe operation, the plant has remained in the Licensee response column which is the lowest level of NRC oversight.
- Safety is our top focus at Oconee as it has been since day one of operation.
- We are grateful for the community support and look forward to serving this community for years to come.

---

TV story.

Safety Tops Concerns at Oconee Public Meeting  
WSPA-TV Spartanburg, 4-9-12

Safety was at the top of the list of concerns at a meeting Monday night at the Oconee Nuclear station.

About two dozen people living near the plant came to ask questions to officials at Duke Energy and the Nuclear Regulatory Commission.

Duke Energy says it has corrected two problems reported at the plant in the last year.

The most recent issue happened Friday when one of the plant's three nuclear reactors had to be shut down to repair a non-radioactive leak. Duke Energy spokesperson Sandra Magee says a flex hose on a pump of the reactor has now been fixed. The reactor was restored to full operations again on Sunday.

Duke Energy says there was no public threat. The Nuclear Regulatory Commission is investigating

DUKE\_NCUC\_00001462

DUKE\_NCUC\_00001462-A

per protocol, but a spokesperson for that agency also says there is no public threat related to the incident.

Last summer the NRC put the plant under increased scrutiny after faulty breakers were found at the standby shutdown facility.

Paulette Chassin attended Monday's meeting. She lives close to Oconee Nuclear. Chassin says, "I am very concerned about safety, just living four miles away. I believe in all kinds of power, nuclear being one of them, but there have been some yellow flags here, and I've been listening really for about a year and a half. There seems to be one issue after another with Oconee, and I'm very concerned about the back-up for emergencies."

The NRC tells 7 On Your Side Oconee Nuclear is operating safely, and it will do an extra inspection at the plant in the coming months because of the previous problem with the standby shutdown facility.

Monday's meeting was part of an annual assessment by the NRC at Oconee Nuclear.

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Saturday, April 7, 2012 3:57 PM  
**To:** Rhodes, Jim - [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info];  
Barnet3, W - [Redacted - Personal Info]; Bernhardt, Alex - [Redacted - Personal Info];  
[Redacted - Personal Info]; Sharp - [Redacted - Personal Info]  
**Cc:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Nuclear updates

---

Dear NOC,

# Notice of Appeal

**Redacted – Sensitive Nuclear Operations  
Notice of Appeal**

DUKE\_NCUC\_00001464

DUKE\_NCUC\_00001464-A



# Notice of Appeal

From: Jamil, Dhiaa M  
Sent: Thursday, April 05, 2012 10:53 AM  
To: Jim Rhodes; Jim Reinsch; William Barnet; Alex Bernhardt; Philip Sharp (Redacted - Personal Info)  
Cc: Rogers, Jim  
Subject: Nuclear updates

Dear NOC,

# Notice of Appeal

-----Original Message-----

From: Jamil, Dhiaa M  
Sent: Wednesday, April 04, 2012 11:23 PM  
Cc: Rogers, Jim; Good, Lynn J; Trent, Keith; Manly, Marc E; Weber, Jennifer; Carter, Brett C; Heigel, Catherine E; Rhodes, Jim - yahoo; Reinsch, Jim (Redacted - Personal Info) Barnet3, W (Redacted - Personal Info) Bernhardt, Alex (Redacted - Personal Info) Sharp (Redacted - Personal Info)  
Subject: Re: Catawba emergency

# Notice of Appeal

On Apr 4, 2012, at 8:49 PM, "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com> wrote:

DUKE\_NCUC\_00001465

DUKE\_NCUC\_00001465-A

# Notice of Appeal

DUKE\_NCUC\_00001466

DUKE\_NCUC\_00001466-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Thursday, April 5, 2012 11:44 AM  
**To:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Subject:** Re: Nuclear updates

---

Dhiaa, thanks for the thoughtful note.

----- Original Message -----

From: Jamil, Dhiaa M  
Sent: Thursday, April 05, 2012 10:53 AM  
To: Rhodes, Jim [REDACTED]; Reinsch, Jim [REDACTED]; Barnet3, W [REDACTED]; Bernhardt, Alex [REDACTED - Personal Info]; Sharp [REDACTED]  
Cc: Rogers, Jim  
Subject: Nuclear updates

Dear NOC,

# Notice of Appeal

-----Original Message-----

From: Jamil, Dhiaa M  
Sent: Wednesday, April 04, 2012 11:23 PM  
Cc: Rogers, Jim; Good, Lynn J; Trent, Keith; Manly, Marc E; Weber, Jennifer; Carter, Brett C; Heigel, Catherine E; Rhodes, Jim - [REDACTED]; Reinsch, Jim [REDACTED]; Barnet3, W [REDACTED]; Bernhardt, Alex [REDACTED - Personal Info]; Sharp [REDACTED]  
Subject: Re: Catawba emergency

# Notice of Appeal

DUKE\_NCUC\_00001467

DUKE\_NCUC\_00001467-A

## **Notice of Appeal**

On Apr 4, 2012, at 8:49 PM, "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com> wrote:

# **Notice of Appeal**

DUKE\_NCUC\_00001468

DUKE\_NCUC\_00001468-A

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Thursday, April 5, 2012 10:53 AM  
**To:** Rhodes, Jim - [Redacted - Personal Info]; Reinsch, Jim - [Redacted - Personal Info]  
Barnet3, W - [Redacted - Personal Info] Bernhardt, Alex - [Redacted - Personal Info]  
[Redacted - Personal Info] Sharp - [Redacted - Personal Info]  
**Cc:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Nuclear updates

---

Dear NOC,

# Notice of Appeal

-----Original Message-----

**From:** Jamil, Dhiaa M  
**Sent:** Wednesday, April 04, 2012 11:23 PM  
**Cc:** Rogers, Jim; Good, Lynn J; Trent, Keith; Manly, Marc E; Weber, Jennifer; Carter, Brett C; Heigel, Catherine E; Rhodes, Jim - [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info] Barnet3, W [Redacted - Personal Info] Bernhardt, Alex [Redacted - Personal Info], Sharp [Redacted - Personal Info]  
**Subject:** Re: Catawba emergency

# Notice of Appeal

On Apr 4, 2012, at 8:49 PM, "Jamil, Dhiaa M" <Dhiaa.Jamil@duke-energy.com> wrote:

DUKE\_NCUC\_00001469

DUKE\_NCUC\_00001469-A

# Notice of Appeal

DUKE\_NCUC\_00001470

DUKE\_NCUC\_00001470-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Thursday, April 5, 2012 8:29 AM  
**To:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Subject:** Re: Fwd: : Unusual Event Wednesday Night

---

Dhiaa, thanks for handling this so well. J

---

**From:** Jamil, Dhiaa M  
**Sent:** Thursday, April 05, 2012 05:32 AM  
**To:** Rogers, Jim; Good, Lynn J; Trent, Keith; Manly, Marc E; Weber, Jennifer; Carter, Brett C; Heigel, Catherine E  
**Cc:** Rhodes, Jim [REDACTED] Reinsch, Jim [REDACTED] Barnet3, W [REDACTED] Bernhardt, Alex [REDACTED - Personal Info] Sharp [REDACTED]  
**Subject:** Fwd: : Unusual Event Wednesday Night

# Notice of Appeal

Begin forwarded message:

**From:** "CNSCOMM@duke-energy.com" <CNSCOMM@duke-energy.com>  
**Date:** April 5, 2012 2:59:35 AM EDT  
**To:** CNS ALL <CNSALL@duke-energy.com>  
**Subject:** Date Correction: Plant Awareness Note: Unusual Event Wednesday Night

<!--[if !vml]-->

<!--[endif]-->



--[if !vml]--><!--[endif]-->

## Plant Awareness Note

Unusual Event Wednesday Night (4/4/12)

**To:** All Catawba Teammates  
**From:** Jim Morris/George Hamrick  
**Subject:** Unusual Event Declared

---

# Notice of Appeal

DUKE\_NCUC\_00001471

DUKE\_NCUC\_00001471-A

# Notice of Appeal

DUKE\_NCUC\_00001472

DUKE\_NCUC\_00001472-A



**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Thursday, April 5, 2012 5:32 AM  
**To:** Rogers, Jim <Jim.Rogers@duke-energy.com>; Good, Lynn J <Lynn.Good@duke-energy.com>; Trent, Keith <Keith.Trent@duke-energy.com>; Manly, Marc E <Marc.Manly@duke-energy.com>; Weber, Jennifer <Jennifer.Weber@duke-energy.com>; Carter, Brett C <Brett.Carter@duke-energy.com>; Heigel, Catherine E <Catherine.Heigel@duke-energy.com>  
**Cc:** Rhodes, Jim - [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info] Barnet3, W - [Redacted - Personal Info] Bernhardt, Alex - [Redacted - Personal Info] Sharp - [Redacted - Personal Info]  
**Subject:** Fwd : Unusual Event Wednesday Night

# Notice of Appeal

Begin forwarded message:

**From:** "CNSCOMM@duke-energy.com" <CNSCOMM@duke-energy.com>  
**Date:** April 5, 2012 2:59:35 AM EDT  
**To:** CNS ALL <CNSALL@duke-energy.com>  
**Subject:** Date Correction: Plant Awareness Note: Unusual Event Wednesday Night

<!--[if !vml]-->  
<!--[endif]-->



--[if !vml]--><!--[endif]-->

## Plant Awareness Note Unusual Event Wednesday Night (4/4/12)

**To:** All Catawba Teammates  
**From:** Jim Morris/George Hamrick  
**Subject:** Unusual Event Declared

# Notice of Appeal

DUKE\_NCUC\_00001473

DUKE\_NCUC\_00001473-A

# Notice of Appeal

DUKE\_NCUC\_00001474

DUKE\_NCUC\_00001474-A

**From:** Garrett, Debby <Debby.Garrett@duke-energy.com>  
**Sent:** Wednesday, April 4, 2012 11:14 AM  
**To:** Ann Maynard Gray [Redacted - Personal Info]; Dan DiMicco [Redacted - Personal Info]; Bernhardt, Alex - [Redacted - Personal Info]; [Redacted - Personal Info]; James H. Hance, Jr. [Redacted - Personal Info]; Rhodes, Jim [Redacted - Personal Info]; John Forsgren [Redacted - Personal Info]; Michael G. Browning [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Rogers, Jim <Jim.Rogers@duke-energy.com>; Barnet3, W - [Redacted - Personal Info]  
**Cc:** Bonny Light [Redacted - Personal Info]; Currence, Kathy K <Kathy.Currence@duke-energy.com>; Joyce Hiott [Redacted - Personal Info]; Kieca Pointdujour [Redacted - Personal Info]; Linda Canipe <[Redacted - Personal Info]>; Marilyn Voigt [Redacted - Personal Info]; Miller, Monica L <Monica.Miller@duke-energy.com>; Sandra Thrower [Redacted - Personal Info]; Sandra Thrower [Redacted - Personal Info]  
**Subject:** Duke Energy Director Contact Information  
**Attach:** Duke Energy Director Contact Information\_v2\_0[4].DOC

---

Attached is the current Director contact information we have for you. This document is also posted on BoardVantage under the home tab (pc), or the repository folder (iPad), with access limited to Directors. Please review your contact information, at your earliest convenience, and let me know if any changes need to be made. Thank you.

Debby Garrett  
Associate, Board of Directors  
Duke Energy Corporation  
550 South Tryon St.  
DEC45A  
Charlotte, NC 28202  
[Redacted - Personal Info]  
[Redacted - Personal Info]  
[Redacted - Personal Info]  
debby.garrett@duke-energy.com

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DUKE\_NCUC\_00001475

DUKE\_NCUC\_00001475-A

**DUKE ENERGY CORPORATION BOARD OF DIRECTORS**

**DIRECTOR & BUSINESS ADDRESS**

**HOME ADDRESS**

**WILLIAM BARNET, III (Bill)**  
President and Chief Executive Officer  
The Barnet Company

**Redacted - Personal Info**

Phone: **Redacted - Personal Info**

Fax: **Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

**FEDEX: Same as above**

Assistants: **Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

**G. ALEX BERNHARDT, SR. (Alex)**  
Chairman and CEO  
Bernhardt Furniture Company

**Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

E-mail: **Redacted - Personal Info**

**FEDEX:** **Redacted - Personal Info** **Redacted - Personal Info**

Assistant: **Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

**MICHAEL G. BROWNING**  
Chairman and President  
Browning Investments, Inc.

**Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

E-mail: **Redacted - Personal Info**

**Redacted - Personal Info**

Assistant:

**Redacted - Personal Info**

**Redacted - Personal Info**

Driver: **Redacted - Personal Info**

9

**DANIEL R. DIMICCO (Dan)**  
Chairman, President and CEO  
Nucor Corporation

**Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

**Redacted - Personal Info**

E-mail: **Redacted - Personal Info**

**Redacted - Personal Info**

Assistant:

**Redacted - Personal Info**

JOHN H. FORSGREN

Redacted - Personal Info

7

E-mail: Redacted - Personal Info

Redacted - Personal Info

---

ANN MAYNARD GRAY

Redacted - Personal Info

FEDEX: Same as above

E-mail: Redacted - Personal Info

Redacted - Personal Info

SEND ALL MAIL OR FAXES TO HOME ADDRESS

**JAMES H. HANCE, JR. (Jim)**  
Retired Vice Chairman  
Bank of America Corporate Center

Redacted - Personal Info

Redacted - Personal Info

Redacted - Personal Info

E-mail: Redacted - Personal Info

Redacted - Personal Info

Redacted - Personal Info

Redacted - Personal Info

Redacted - Personal Info

Redacted - Personal Info

**SEND ALL MAIL OR FAXES TO HOME ADDRESS**

**E. JAMES REINSCH (Jim)**  
Retired Senior Vice President  
Bechtel Power Corporation

Redacted - Personal Info

**FEDEX:**

Redacted - Personal Info

**FEDEX for summer home:**

Redacted - Personal Info

Redacted - Personal Info

Redacted - Personal Info

Redacted - Personal Info

**DR. JAMES T. RHODES (Jim)**  
Retired Chairman, President and CEO  
Institute of Nuclear Power Operations

**Redacted - Personal Info**

**FEDEX: Same as above**

E-mail: **Redacted - Personal Info**

Spouse: **Redacted - Personal Info**

**Redacted - Personal Info**

**SEND ALL MAIL OR FAXES TO HOME ADDRESS**

**JAMES E. ROGERS (Jim)**  
Chairman, President and  
Chief Executive Officer  
Duke Energy Corporation  
526 S. Church Street, EC3XB  
Charlotte, NC 28202

**Redacted - Personal Info**

**Redacted - Personal Info**

E-mail: **Redacted - Personal Info**

**FEDEX: Same as above**

Spouse: **Redacted - Personal Info**

Assistant:

**Redacted - Personal Info**

**Redacted - Personal Info**



DR. PHILIP R. SHARP (Phil)  
President  
Resources for the Future

Redacted - Personal Info

Redacted - Personal Info

Redacted - Personal Info

E-mail: Redacted - Personal Info

Assistant:

Redacted - Personal Info

Redacted - Personal Info

**Duke Energy Executive Team**

**Good, Lynn**

Redacted - Personal Info

Redacted - Personal Info

[Lynn.good@duke-energy.com](mailto:Lynn.good@duke-energy.com)

**Jamil, Dhiaa**

Redacted - Personal Info

Redacted - Personal Info

[Dhiaa.jamil@duke-energy.com](mailto:Dhiaa.jamil@duke-energy.com)

**Manly, Marc**

Redacted - Personal Info

Redacted - Personal Info

[Marc.manly@duke-energy.com](mailto:Marc.manly@duke-energy.com)

**Trent, Keith**

Redacted - Personal Info

Redacted - Personal Info

[Keith.trent@duke-energy.com](mailto:Keith.trent@duke-energy.com)

**Weber, Jennifer**

Redacted - Personal Info

Redacted - Personal Info

[Jennifer.weber@duke-energy.com](mailto:Jennifer.weber@duke-energy.com)

**ADDITIONAL BOARD CONTACT INFORMATION:**

**Marc E. Manly**  
Group Executive, Chief Legal Officer  
and Corporate Secretary

Redacted - Personal Info

Redacted - Personal Info

[Marc.Manly@duke-energy.com](mailto:Marc.Manly@duke-energy.com)

**David S. Maltz**  
Vice President, Legal and  
Assistant Corporate Secretary

Redacted - Personal Info

Redacted - Personal Info

[David.Maltz@duke-energy.com](mailto:David.Maltz@duke-energy.com)

**Assistant: Bobbie Sims**

Redacted - Personal Info

Cell: Redacted - Personal Info

[Bobbie.Sims@duke-energy.com](mailto:Bobbie.Sims@duke-energy.com)

**Assistant: Debby Garrett**

Redacted - Personal Info

Cell: Redacted - Personal Info

[Debby.Garrett@duke-energy.com](mailto:Debby.Garrett@duke-energy.com)

---

**Logistics for Board Meetings (transportation, hotel, etc.), updates  
for Director Contact Information and Expense Reimbursement**

**Debby Garrett:** Redacted - Personal Info [Debby.Garrett@duke-energy.com](mailto:Debby.Garrett@duke-energy.com)

Cell: Redacted - Personal Info

**Board Mailings, Materials and Quarterly Cash Compensation Payment**

**Sue Harrington:** Redacted - Personal Info [Sue.Harrington@duke-energy.com](mailto:Sue.Harrington@duke-energy.com)

Cell: Redacted - Personal Info

**Directors' Stock Savings Plan (DSP)**

**Jane Lamb:** Redacted - Personal Info [Jane.Lamb@duke-energy.com](mailto:Jane.Lamb@duke-energy.com)

**Equity (Stock)**

**Brian Callahan:** Redacted - Personal Info [Brian.Callahan@duke-energy.com](mailto:Brian.Callahan@duke-energy.com)

**Emergency Contact/Executive Security**

**Vicki Holtz-Longshaw:** Redacted - Personal Info Redacted - Personal Info cell)

[Vicki.Holtz-Longshaw@duke-energy.com](mailto:Vicki.Holtz-Longshaw@duke-energy.com)

**From:** Jamil, Dhiaa M <Dhiaa.Jamil@duke-energy.com>  
**Sent:** Monday, April 2, 2012 12:42 PM  
**To:** Rhodes, Jim - [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info >,  
Barnet3, W [Redacted - Personal Info >]; Bernhardt, Alex - [Redacted - Personal Info  
[Redacted - Personal Info >]; [Redacted - Personal Info] Sharp - [Redacted - Personal Info >  
**Cc:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Catawba Site VP retirement

---

Dear NOC,

# Notice of Appeal

Dhiaa.

DUKE\_NCUC\_00001484

DUKE\_NCUC\_00001484-A

**From:** Jim Rhodes [Redacted - Personal Info]  
**Sent:** Friday, March 30, 2012 6:46 PM  
**To:** Bill Barnet [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]  
Jim Reinsch [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]  
**Cc:** Jim Rogers <jim.rogers@duke-energy.com>  
**Subject:** NRC Request for Information  
**Attach:** NRC Allegation.pdf

---

Gentlemen--

# Redacted - Privilege

— Forwarded Message —

**From:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>  
**To:** "Rhodes, Jim" [Redacted - Personal Info]  
**Sent:** Friday, March 30, 2012 5:39 PM  
**Subject:** Request

Attached please find the NRC request for information that we just discussed via phone. Please let me know if you have any questions or concerns.

**Cheryl Peed**  
**Employee Concerns Manager**

**Duke Energy**  
[Redacted - Personal Info]  
[Redacted - Personal Info]

*Legal Purposes - This e-mail may contain privileged and confidential information and is intended only for the use of the specific individual(s) to which it is addressed. If you are not an intended recipient of this e-mail, you are hereby notified that any unauthorized use, dissemination or copying of this e-mail or the information contained in it or attached to it is strictly prohibited. If you have received this e-mail in error, please delete it and immediately notify the person named above by reply e-mail. Thank you.*

DUKE\_NCUC\_00001485

DUKE\_NCUC\_00001485-A



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
245 PEACHTREE CENTER AVENUE NE, SUITE 1200  
ATLANTA, GEORGIA 30303-1257

# Notice of Appeal

NOT FOR PUBLIC DISCLOSURE

DUKE\_NCUC\_00001486

DUKE\_NCUC\_00001486-A

# Notice of Appeal

NOT FOR PUBLIC DISCLOSURE

DUKE\_NCUC\_00001487

DUKE\_NCUC\_00001487-A

**From:** rhodesjt [Redacted - Personal Info]  
**Sent:** Tuesday, March 27, 2012 10:21 PM  
**To:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Subject:** Re: NRC Request for Information

---

Thanks.

Jim

Sent from my Verizon Wireless BlackBerry

-----Original Message-----

From: "Rogers, Jim" <Jim.Rogers@duke-energy.com>

Date: Tue, 27 Mar 2012 21:39:55

To: Rhodes, Jim [Redacted - Personal Info]

Subject: Fw: NRC Request for Information

Jim, this is for your information. I will follow-up with you after my meeting.

All the Best,

Jim

-----Original Message-----

From: Lisa Vaughn

To: James E. Rogers

Cc: Nichols, Lara S

Cc: Peed, Cheryl T

Subject: NRC Request for Information

Sent: Mar 27, 2012 6:10 PM

PRIVILEGED AND CONFIDENTIAL

Hi Jim,

# Redacted - Privilege

DUKE\_NCUC\_00001488

DUKE\_NCUC\_00001488-A



Best regards,

Lisa

Lisa F. Vaughn  
Partner  
Winston & Strawn LLP  
100 North Tryon Street  
Charlotte, NC 28202-1078

Redacted - Personal Info

Redacted - Personal Info

Redacted - Personal Info

Bio | VCard | Email | [www.winston.com](http://www.winston.com)

DUKE\_NCUC\_00001489

DUKE\_NCUC\_00001489-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Tuesday, March 27, 2012 9:40 PM  
**To:** Rhodes, Jim - **Redacted - Personal Info**  
**Subject:** Fw: NRC Request for Information

---

Jim, this is for your information. I will follow-up with you after my meeting.

All the Best,  
Jim

-----Original Message-----

**From:** Lisa Vaughn  
**To:** James E. Rogers  
**Cc:** Nichols, Lara S  
**Cc:** Peed, Cheryl T  
**Subject:** NRC Request for Information  
**Sent:** Mar 27, 2012 6:10 PM

**Redacted - Privilege**

DUKE\_NCUC\_00001490

DUKE\_NCUC\_00001490-A

**From:** Trent, Keith <Keith.Trent@duke-energy.com>  
**Sent:** Tuesday, March 27, 2012 1:47 PM  
**To:** Bernhardt, Alex - [Redacted - Personal Info]; [Redacted - Personal Info]; Ann Maynard Gray  
[Redacted - Personal Info]; Daniel R. Dimicco [Redacted - Personal Info]; Reinsch, Jim -  
[Redacted - Personal Info]; James H. Hance Jr. [Redacted - Personal Info]; Rhodes, Jim -  
[Redacted - Personal Info]; Rogers, Jim <Jim.Rogers@duke-energy.com>; John H.  
Forsgren [Redacted - Personal Info]; Michael G. Browning [Redacted - Personal Info]  
[Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Barnet3, W - [Redacted - Personal Info]

**Subject:**

---

Based on our conversations in the past, I know you sometimes hear negative reports regarding wind energy. We hear those as well, but we also hear many good reactions from communities leaders, customers and land owners with respect to their experience with Duke Energy.

We recently created a wind energy marketing video that introduces stakeholders to Duke Energy and explains Duke Energy Renewables' approach to developing commercial wind power projects. Through real stories, the video illustrates how our wind business is having a very positive impact on customers as well as the families and communities that host our turbines. My favorite story is from a landowner who has named one of the turbines on his land "Charlie".

We will use this nine-minute video as a way to educate landowners, local officials and other community members in areas where we are working to develop wind projects. Site managers at our existing wind farms will also use this video as part of their community outreach efforts.

I thought you might enjoy seeing the video as well. I'll send you a DVD copy of the video by mail within the next week. In the meantime, you can access the video by visiting the [Wind Energy page](#) on Duke-Energy.com.

Keith

DUKE\_NCUC\_00001491

DUKE\_NCUC\_00001491-A

**From:** Good, Lynn J <Lynn.Good@duke-energy.com>  
**Sent:** Monday, March 26, 2012 5:35 PM  
**To:** Bernhardt, Alex - [Redacted - Personal Info]; Ann M. Gray  
<[Redacted - Personal Info]>; Dan DiMicco ([Redacted - Personal Info]); Rhodes, Jim -  
[Redacted - Personal Info]; Jim Hance <[Redacted - Personal Info]>; Reinsch, Jim -  
[Redacted - Personal Info]; Rogers, Jim <Jim.Rogers@duke-energy.com>; John Forsgren  
<[Redacted - Personal Info]>; Michael Browning <[Redacted - Personal Info]>; [Redacted - Personal Info]  
Sharp - [Redacted - Personal Info]; Barnett3, W - [Redacted - Personal Info]  
**Cc:** Harrington, Sue C <Sue.Harrington@duke-energy.com>  
**Subject:** February Results  
**Attach:** Board of Directors Financial Report.pdf

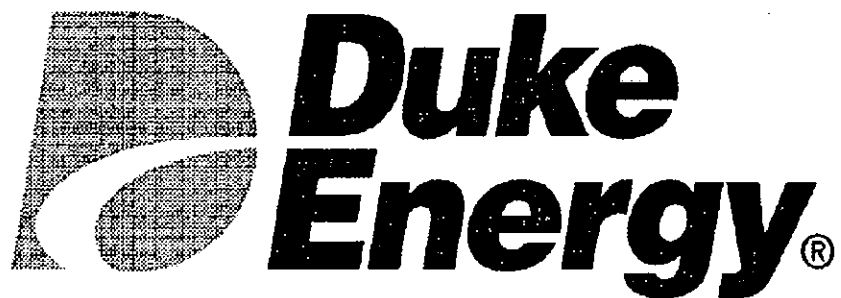
---

Attached you will find the financial results summary for the month of February.

# Notice of Appeal

DUKE\_NCUC\_00001492

DUKE\_NCUC\_00001492-A



## BOARD OF DIRECTORS REPORT

February 2012

DUKE\_NCUC\_00001493

DUKE\_NCUC\_00001493-A

# Notice of Appeal

# Notice of Appeal

# Notice of Appeal



# Notice of Appeal

DUKE\_NCUC\_00001497

DUKE\_NCUC\_00001497-A

**From:** Garrett, Debby <Debby.Garrett@duke-energy.com>  
**Sent:** Saturday, March 24, 2012 10:13 AM  
**To:** Ann Maynard Gray [Redacted - Personal Info]; Dan DiMicco [Redacted - Personal Info]; Bernhardt, Alex [Redacted - Personal Info]; [Redacted - Personal Info]; James H. Hance, Jr. [Redacted - Personal Info]; Rhodes, Jim [Redacted - Personal Info]; John Forsgren [Redacted - Personal Info]; Michael G. Browning [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Rogers, Jim <Jim.Rogers@duke-energy.com>; Barnet3, W [Redacted - Personal Info]  
**Cc:** 'Sisk, Tom' [Redacted - Personal Info]; Bonny Light [Redacted - Personal Info]; Currence, Kathy K <Kathy.Currence@duke-energy.com>; Elizabeth Gilliam [Redacted - Personal Info]; Joyce Hiott [Redacted - Personal Info]; Kieca Pointdujour [Redacted - Personal Info]; Linda Canipe [Redacted - Personal Info]; Marilyn Voigt [Redacted - Personal Info]; Miller, Monica L <Monica.Miller@duke-energy.com>; Sandra Thrower [Redacted - Personal Info]; Sandra Thrower [Redacted - Personal Info]  
**Bcc:** d; s  
**Subject:** May 2-3 Duke Energy Board and Committee Meetings  
**Attach:** 2012.05.03 Schedule of Meetings\_v1\_0.doc

---

To assist with your travel planning, attached is the May 2-3 Board and committee schedule of meetings. As always, Tom Sisk, [Redacted - Personal Info] will be happy to assist you with your flight reservations. I will arrange your ground transportation after I receive your flight information. Please let me know if you would like for me to reserve you a room at The Ritz for one evening (May 2) or two evenings (May 1 and 2). Please note that the Corporate Governance Committee will not meet in May and the Compensation Committee will meet from 12:30pm-2:00pm rather than 11:00am-12:30pm. Also, note that the May 3 meetings will take place at the 526 S. Church Street building (old Corporate headquarters). Similar to last year, the meeting location for May 3 is intended to make it more convenient for you to attend the Annual Shareholder Meeting, which will be held in the O. J. Miller Auditorium as usual.

For your convenience, parking will be available on May 3<sup>rd</sup> in the outside lot at the 526 S. Church Street building for the Directors who typically drive. Please feel free to call or email me with any questions you may have. Thanks.

Debby Garrett  
Associate, Board of Directors  
Duke Energy Corporation  
550 South Tryon St.  
DEC45A  
Charlotte, NC 28202  
[Redacted - Personal Info]  
[Redacted - Personal Info]  
[Redacted - Personal Info]  
debby.garrett@duke-energy.com

**Confidentiality Notice**

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DUKE\_NCUC\_00001498

DUKE\_NCUC\_00001498-A

**DUKE ENERGY CORPORATION  
BOARD OF DIRECTORS**

**SCHEDULE OF MEETINGS – MAY 2 AND 3, 2012**

Catawba Nuclear Station – York, South Carolina

Corporate Headquarters – Duke Energy Center  
550 South Tryon Street, Charlotte, North Carolina

<b><u>WEDNESDAY MAY 2, 2012</u></b>	<b><u>MEETING</u></b>
8:00AM – 1:00PM	Nuclear Oversight Committee (Catawba Nuclear Station – York, South Carolina)
11:30AM – 1:30PM	Lunch (Room 4659 – Corporate Headquarters)
12:30PM – 2:00PM	Compensation Committee (Room 4719 – Corporate Headquarters)
2:00PM – 4:30PM	Finance and Risk Management Committee (Board Room – Corporate Headquarters)
4:30PM – 6:30PM	Audit Committee (Board Room – Corporate Headquarters)
6:30PM	Reception and Dinner (The Vista (46 <sup>th</sup> Floor) – Corporate Headquarters)
<b><u>THURSDAY MAY 3, 2012</u></b>	<b><u>MEETING</u></b>
6:30AM – 8:00AM	Breakfast (Dining Room – 526 South Church Street)
8:00AM – 9:45AM	Duke Energy Board Meeting (Board Room – 526 South Church Street)
10:00AM – 11:30AM	Annual Shareholder Meeting (O.J. Miller Auditorium – 526 South Church Street)
11:45AM – 12:30PM	Reconvene Board Meeting (Board Room – 526 South Church Street)
12:30PM – 1:00PM	Independent Directors Meeting, including lunch, and briefing of Chairman at end of session, if necessary (Dining Room – 526 South Church Street)

Corporate Governance Committee will not meet in May

#439394

DUKE\_NCUC\_00001499

DUKE\_NCUC\_00001499-A

**From:** Alex Bernhardt [Redacted - Personal Info]  
**Sent:** Monday, March 12, 2012 4:30 PM  
**To:** Rogers, Jim <jim.rogers@duke-energy.com>  
**Subject:** Re: Fw: Duke Energy Indiana Debt Issuance

---

Congratulations !!  
Alex

From: "Rogers, Jim" <Jim.Rogers@duke-energy.com>

To: "Bernhardt, Alex - bernhardt" [Redacted - Personal Info], "amgray" [Redacted - Personal Info],  
[Redacted - Personal Info] "dan.dimicco" [Redacted - Personal Info], "Reinsch, Jim" [Redacted - Personal Info],  
[Redacted - Personal Info] "jhforsgren" [Redacted - Personal Info], "jhance" [Redacted - Personal Info],  
[Redacted - Personal Info], "Rogers, Jim" <Jim.Rogers@duke-energy.com>, "mbrowning" [Redacted - Personal Info],  
[Redacted - Personal Info], "Rhodes, Jim" [Redacted - Personal Info], "Sharp" [Redacted - Personal Info],  
[Redacted - Personal Info] "Barnet3, W" [Redacted - Personal Info]

Date: 03/12/2012 04:14 PM

Subject: Fw: Duke Energy Indiana Debt Issuance

Please find attached a report on Duke Energy Indiana's issuance of 30-year first mortgage bonds. As you will read, the fixed rate of 4.2 percent is our lowest coupon for a taxable 30-year bond ever issued by a Duke Energy company.

From: Carrick, Allen  
Sent: Monday, March 12, 2012 02:26 PM  
To: Rogers, Jim; Good, Lynn J; Manly, Marc E; Esamann, Doug  
Cc: Maltz, David S; Lucas, Bob; Karn, Kelley A; Young, Steve K; Currens, Bill; Castelsky, Joachim W; Taft, Charlie  
Subject: Duke Energy Indiana Debt Issuance

Duke Energy Indiana priced \$250 million of 30-year first mortgage bonds this afternoon. The transaction priced at a fixed-rate of 4.20%, and the proceeds will be used to repay a portion of Duke Energy Indiana's outstanding short-term debt. This financing is consistent with our approved 2012 financing plan.

The low U.S. Treasury rate environment helped Duke Energy Indiana achieve the lowest taxable 30-year coupon ever issued by any Duke Energy company.

#### TRANSACTION SPECIFICS

Issuer: Duke Energy Indiana, Inc.  
Structure: 30-Year First Mortgage Bonds

Principal	\$250 Million
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DUKE\_NCUC\_00001500

DUKE\_NCUC\_00001500-A

Ratings	A2/A (Moody's/S&P)	
Maturity	March 15, 2042	
Coupon	4.20%	
U.S. Treasury Yield (30-Year)	3.16%	
Credit Spread	105 bps	
Fees	75 bps	
Lead Managers	RBC, RBS, UBS	
Co-Manager	CICC US Securities	
Jr. Co-Managers	Fifth Third, PNC	

If you have any questions, please contact Stephen De May [\[redacted\]](#) or me

[\[redacted\]](#)

DUKE\_NCUC\_\_00001501

DUKE\_NCUC\_00001501-A

**From:** DiMicco, Dan [Redacted - Personal Info]  
**Sent:** Monday, March 12, 2012 4:29 PM  
**To:** Rogers, Jim <jim.rogers@duke-energy.com>; Bernhardt, Alex [Redacted - Personal Info]; [Redacted - Personal Info]; amgray [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info]; [Redacted - Personal Info]; jhforsgren [Redacted - Personal Info]; jhhance [Redacted - Personal Info]; mbrowning [Redacted - Personal Info]; Rhodes, Jim [Redacted - Personal Info]; [Redacted - Personal Info]; Sharp - [Redacted - Personal Info]; Barnet3, W - [Redacted - Personal Info]  
**Subject:** RE: Duke Energy Indiana Debt Issuance

---

Congrats!

---

**From:** Rogers, Jim [mailto:Jim.Rogers@duke-energy.com]  
**Sent:** Monday, March 12, 2012 4:14 PM  
**To:** Bernhardt, Alex [Redacted - Personal Info]; amgray [Redacted - Personal Info]; DiMicco, Dan; Reinsch, Jim [Redacted - Personal Info]; jhforsgren [Redacted - Personal Info]; jhhance [Redacted - Personal Info]; Rogers, Jim; mbrowning [Redacted - Personal Info]; Rhodes, Jim [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Barnet3, W - [Redacted - Personal Info]  
**Subject:** Fw: Duke Energy Indiana Debt Issuance

Please find attached a report on Duke Energy Indiana's issuance of 30-year first mortgage bonds. As you will read, the fixed rate of 4.2 percent is our lowest coupon for a taxable 30-year bond ever issued by a Duke Energy company.

---

**From:** Carrick, Allen  
**Sent:** Monday, March 12, 2012 02:26 PM  
**To:** Rogers, Jim; Good, Lynn J; Manly, Marc E; Esamann, Doug  
**Cc:** Maltz, David S; Lucas, Bob; Kam, Kelley A; Young, Steve K; Currrens, Bill; Castelsky, Joachim W; Taft, Charlie  
**Subject:** Duke Energy Indiana Debt Issuance

Duke Energy Indiana priced \$250 million of 30-year first mortgage bonds this afternoon. The transaction priced at a fixed-rate of 4.20%, and the proceeds will be used to repay a portion of Duke Energy Indiana's outstanding short-term debt. This financing is consistent with our approved 2012 financing plan.

The low U.S. Treasury rate environment helped Duke Energy Indiana achieve the lowest taxable 30-year coupon ever issued by any Duke Energy company.

#### TRANSACTION SPECIFICS

**Issuer:** Duke Energy Indiana, Inc.

**Structure:** 30-Year First Mortgage Bonds

Principal	\$250 Million
Ratings	A2/A (Moody's/S&P)
Maturity	March 15, 2042
Coupon	4.20%
U.S. Treasury Yield (30-Year)	3.16%
Credit Spread	105 bps
Fees	75 bps
Lead Managers	RBC, RBS, UBS
Co-Manager	CICC US Securities
Jr. Co-Managers	Fifth Third, PNC

If you have any questions, please contact Stephen De May [Redacted - Personal Info] or me [Redacted - Personal Info]

DUKE\_NCUC\_00001502

DUKE\_NCUC\_00001502-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Monday, March 12, 2012 4:19 PM  
**To:** Ann Gray [Redacted - Personal Info]; Barnett3, W - [Redacted - Personal Info]; Bernhardt, Alex - [Redacted - Personal Info]; [Redacted - Personal Info]; Dan DiMicco [Redacted - Personal Info]; Jim Hance [Redacted - Personal Info]; John Forsgren [Redacted - Personal Info]; Michael Browning [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Rhodes, Jim - [Redacted - Personal Info]; Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Cc:** Bonny Light [Redacted - Personal Info]; Elizabeth Gilliam [Redacted - Personal Info]; Joyce Hiott [Redacted - Personal Info]; Currence, Kathy K <Kathy.Currence@duke-energy.com>; Kieca Pointdujour [Redacted - Personal Info]; Linda Canipe [Redacted - Personal Info]; Marilyn Voigt [Redacted - Personal Info]; Sandra Thrower [Redacted - Personal Info]  
**Bcc:** m; m; r; s  
**Subject:** January-February 2012 Board Letter  
**Attach:** January-February 2012 Board Letter.docx; 2000 to 2011 rates.xlsx; 2000 to 2012 rates.xlsx

---

Please find attached my January-February 2012 board letter as well as the 2000-2011 rate schedule and 2000-2012 proposed rate schedule referenced in the letter.

Please let me know if you have any questions.

Best,  
Jim

DUKE\_NCUC\_00001503

DUKE\_NCUC\_00001503-A

# Notice of Appeal

To: Duke Energy Board of Directors  
From: Jim Rogers  
Subject: January-February 2012 Board Letter  
Date: March 12, 2012

# Notice of Appeal

DUKE\_NCUC\_00001504

DUKE\_NCUC\_00001504-A



# Notice of Appeal

DUKE\_NCUC\_00001505

DUKE\_NCUC\_00001505-A

# Confidential

DUKE\_NCUC\_00001506

DUKE\_NCUC\_00001506-A

**Confidential**

DUKE\_NCUC\_00001507

DUKE\_NCUC\_00001507-A

# Confidential

DUKE\_NCUC\_00001508

DUKE\_NCUC\_00001508-A

# Notice of Appeal

DUKE\_NCUC\_00001509

DUKE\_NCUC\_00001509-A

# Notice of Appeal

DUKE\_NCUC\_00001510

DUKE\_NCUC\_00001510-A

# Notice of Appeal

DUKE\_NCUC\_00001511

DUKE\_NCUC\_00001511-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Monday, March 12, 2012 4:14 PM  
**To:** Bernhardt, Alex [Redacted - Personal Info]; [Redacted - Personal Info]; 'amgray' [Redacted - Personal Info]; 'dan.dimicco' [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info]; 'jhforsgren' [Redacted - Personal Info]; 'jhance' [Redacted - Personal Info]; Rogers, Jim <Jim.Rogers@duke-energy.com>; 'mbrowning' [Redacted - Personal Info]; Rhodes, Jim [Redacted - Personal Info]; [Redacted - Personal Info]; [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Barnet3, W - [Redacted - Personal Info]  
**Subject:** Fw: Duke Energy Indiana Debt Issuance

---

Please find attached a report on Duke Energy Indiana's issuance of 30-year first mortgage bonds. As you will read, the fixed rate of 4.2 percent is our lowest coupon for a taxable 30-year bond ever issued by a Duke Energy company.

---

**From:** Carrick, Allen  
**Sent:** Monday, March 12, 2012 02:26 PM  
**To:** Rogers, Jim; Good, Lynn J; Manly, Marc E; Esamann, Doug  
**Cc:** Maltz, David S; Lucas, Bob; Karn, Kelley A; Young, Steve K; Currens, Bill; Castelsky, Joachim W; Taft, Charlie  
**Subject:** Duke Energy Indiana Debt Issuance

Duke Energy Indiana priced \$250 million of 30-year first mortgage bonds this afternoon. The transaction priced at a fixed-rate of 4.20%, and the proceeds will be used to repay a portion of Duke Energy Indiana's outstanding short-term debt. This financing is consistent with our approved 2012 financing plan.

The low U.S. Treasury rate environment helped Duke Energy Indiana achieve the lowest taxable 30-year coupon ever issued by any Duke Energy company.

#### TRANSACTION SPECIFICS

**Issuer:** Duke Energy Indiana, Inc.  
**Structure:** 30-Year First Mortgage Bonds

Principal	\$250 Million
Ratings	A2/A (Moody's/S&P)
Maturity	March 15, 2042
Coupon	4.20%
U.S. Treasury Yield (30-Year)	3.16%
Credit Spread	105 bps
Fees	75 bps
Lead Managers	RBC, RBS, UBS
Co-Manager	CICC US Securities
Jr. Co-Managers	Fifth Third, PNC

If you have any questions, please contact Stephen De May [Redacted - Personal Info] or me [Redacted - Personal Info]

DUKE\_NCUC\_00001512

DUKE\_NCUC\_00001512-A



**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Saturday, March 10, 2012 10:07 AM  
**To:** 'jhhance@[Redacted - Personal Info]'  
**Subject:** Re: Tuesday

---

Jim, I am looking forward to tuesday. I am landing C this morning and then leaving for PB.

### Notice of Appeal

A great coincidence that we did this around the anniversary of Fukushima.  
Thanks for making this happen. Looking forward to seeing you.

All the best,  
Jim

---

**From:** James Hance Jr. [mailto:[Redacted - Personal Info]]  
**Sent:** Saturday, March 10, 2012 09:45 AM  
**To:** Rogers, Jim  
**Subject:** Tuesday

Jim, I hope you get back from your Asia travels safely and have a chance to rest up in Palm Beach. We look forward to seeing you and [Redacted] on Tuesday evening. I will meet you at the main Club at 4:45 on Tuesday. You are on at 5. I will introduce you. Plan to speak around 35 minutes or so and then there will be questions until 6. Then a reception to give people a chance to speak with you. Then we are meeting your friends the Johnsons for a drink, then dinner with the eight of us, Rogers, Rogers, Graelis, Hance. Let me know if you have any questions. Jim

DUKE\_NCUC\_00001513

DUKE\_NCUC\_00001513-A

**From:** Johnson, Bill [Redacted - Personal Info]  
**Sent:** Tuesday, May 15, 2012 12:47 PM  
**To:** 'Rogers, Jim' <Jim.Rogers@duke-energy.com>  
**Subject:** RE: Catherine Heigel

---

I will call you in the next day or so to discuss this and other general topics. A loss for us, but seems a good opportunity for her. I recall her telling me early on that she aspired to be a general counsel and then have a shot at the CEO chair; I thought she was talking internally, but opportunity knocked. As you know better than most, this is a hazard of having high quality employees. We can put our heads together on retention plans when we chat. Thanks for the note.

---

**From:** Rogers, Jim [mailto:Jim.Rogers@duke-energy.com]  
**Sent:** Tuesday, May 15, 2012 11:33 AM  
**To:** Johnson, Bill  
**Cc:** Manly, Marc E; Weber, Jennifer  
**Subject:** Fw: Catherine Heigel

# Redacted - Privilege

---

**From:** Rogers, Jim  
**Sent:** Tuesday, May 15, 2012 08:55 AM  
**To:** Ann Gray [Redacted - Personal Info]; Barnett3, W [Redacted - Personal Info]; Bernhardt, Alex [Redacted - Personal Info]; Dan DiMicco [Redacted - Personal Info]; Jim Hance [Redacted - Personal Info]; John Forsgren [Redacted - Personal Info]; Michael Browning [Redacted - Personal Info]; Reinsch, Jim [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Rhodes, Jim [Redacted - Personal Info]; Rogers, Jim  
**Cc:** Bonny Light [Redacted - Personal Info]; Joyce Hiott [Redacted - Personal Info]; Currence, Kathy K; Kieca Pointdujour [Redacted - Personal Info]; Linda Canipe [Redacted - Personal Info]; Marilyn Voigt [Redacted - Personal Info]; Sandra Thrower [Redacted - Personal Info]; Sandra Thrower [Redacted - Personal Info]  
**Subject:** Catherine Heigel

I'm writing to let you know that Catherine Heigel will be leaving Duke Energy to become general counsel and corporate secretary for American Transmission Corporation (ATC). Duke Energy will continue to have the benefit of Catherine's leadership until mid-June.

In the weeks ahead we will work to identify a successor and share more information as it becomes available.

Upon her relocation to ATC's headquarters in Wisconsin, Catherine will join the executive leadership team of a company that has a strategic relationship with Duke Energy. In 2011, Duke-American Transmission Company was formed as a joint venture to plan and develop strategic transmission projects across the U.S. and Canada. ATC was founded in 2001 as the first multi-state, transmission-only utility in the United States. The company operates a \$3.1 billion transmission system in parts of Michigan, Wisconsin and Illinois.

Catherine's experience here at Duke Energy has prepared her well for her new role. She joined Duke Energy in 1997 providing legal support for Duke Engineering & Services (DE&S). From 2003 to 2006, she practiced law in the private sector. In 2006, Catherine joined our state regulatory group where she represented Duke Energy in a wide variety of issues before state utility commissions, including energy efficiency and general rate proceedings. In 2010 she was named president of Duke Energy South Carolina where she has been responsible for advancing our company's regulatory and legislative initiatives, managing state and local government relations, economic development and community relations.

Because she was such an effective leader, we have mixed feelings about Catherine's departure from the company.

DUKE\_NCUC\_00001514

DUKE\_NCUC\_00001514-A

Please join me in congratulating Catherine on her success and thanking her for her contributions to our organization.

If you have any questions, please give me a call.

Best,

Jim

DUKE\_NCUC\_00001515

DUKE\_NCUC\_00001515-A

**Subject:** FW: Special Telephonic Corporate Governance Committee Meeting -- Executive Session Only

**Location:** Telephonic Meeting

**Start:** 5/21/2012 4:00 PM

**End:** 5/21/2012 5:00 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Rogers, Jim; Currence, Kathy K

**Resources:** Telephonic Meeting

**When:** Monday, May 21, 2012 4:00 PM-5:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** Telephonic Meeting

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

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FYI -- This is an executive session (committee members only) meeting of the Corp Gov Committee, and management will NOT be asked to participate.

---Original Appointment---

**From:** Harrington, Sue C

**Sent:** Monday, May 14, 2012 11:07 AM

**To:** 'Ann Gray'; 'Michael Browning'; 'Dan DiMicco'; Redacted - Personal Info

**Cc:** 'Bonny Light'; 'Kieca Pointdujour'; Redacted - Personal Info Maltz, David S; Sims, Bobbie A; Manly, Marc E

**Subject:** Special Telephonic Corporate Governance Committee Meeting -- Executive Session Only

**When:** Monday, May 21, 2012 4:00 PM-5:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** Telephonic Meeting

A one-hour special telephonic Corporate Governance Committee meeting will be held on Monday, May 21, from 4:00pm to 5:00pm. The purpose of this call is for the Committee to meet in an Executive Session. You will be notified when the agenda is available for your review in BoardVantage.

DUKE\_NCUC\_00001516

DUKE\_NCUC\_00001516-A

Ann will initiate the call using Marc's moderator code, and everyone else should use the participant code.

Dial-In Information

Charlotte:

[Redacted - Personal Info]

Other Locations:

[Redacted - Personal Info]

Participant Code:

[Redacted - Personal Info]

Moderator:

[Redacted - Personal Info]

(Marc Manly)

DUKE\_NCUC\_00001517

DUKE\_NCUC\_00001517-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Saturday, May 5, 2012 5:03 AM  
**To:** 'jhforsgren'; 'amgray'  
**Subject:** Re: Low priority question

---

John, thanks for forwarding this email. Lynn is the best and she has build a strong team.

I have watched her grow and develop over the past decade. She is always on her game.

We had a very successful earnings call yesterday due, in part, to the extensive preparation by Lynn and her team. Of course, we also beat the street's consensus when everyone in our region missed due to weather--Southern, SCANA and Progress.

Have a fun weekend.

All the best,  
Jim

---

**From:** John H. Forsgren  
**Sent:** Friday, May 04, 2012 02:40 PM  
**To:** 'Ann Gray'  
**Cc:** Rogers, Jim  
**Subject:** FW: Low priority question

Some correspondence between Lynn Good and myself that you might find interesting. I assume she had some assistance in preparing the response (especially as it was earnings call day!), but it nevertheless just confirms what a pro she is. An excellent synopsis in answer to my question which you'll find at the bottom of the page.

---

**From:** Good, Lynn J [mailto:Lynn.Good@duke-energy.com]  
**Sent:** Friday, May 04, 2012 1:50 PM  
**To:** 'John H. Forsgren'  
**Subject:** FW: Low priority question

# Notice of Appeal

DUKE\_NCUC\_00001518

DUKE\_NCUC\_00001518-A

# Notice of Appeal

**From:** John H. Forsgren [Redacted - Personal Info]  
**Sent:** Thursday, May 03, 2012 09:32 PM  
**To:** Good, Lynn J  
**Subject:** Low priority question

**Notice of Appeal**

**Notice of Appeal**

**Confidential**

**Confidential**

**Notice of Appeal**

**Notice of Appeal**

**Notice of Appeal**

**Notice of Appeal**

DUKE\_NCUC\_00001519

DUKE\_NCUC\_00001519-A

**From:** John H. Forsgren [Redacted - Personal Info]  
**Sent:** Friday, May 4, 2012 2:40 PM  
**To:** 'Ann Gray' [Redacted - Personal Info]  
**Cc:** 'Rogers, Jim' <jim.rogers@duke-energy.com>  
**Subject:** FW: Low priority question

---

Some correspondence between Lynn Good and myself that you might find interesting. I assume she had some assistance in preparing the response (especially as it was earnings call day!), but it nevertheless just confirms what a pro she is. An excellent synopsis in answer to my question which you'll find at the bottom of the page.

---

**From:** Good, Lynn J [mailto:Lynn.Good@duke-energy.com]  
**Sent:** Friday, May 04, 2012 1:50 PM  
**To:** 'John H. Forsgren'  
**Subject:** FW: Low priority question

# Notice of Appeal

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**From:** John H. Forsgren [Redacted - Personal Info]  
**Sent:** Thursday, May 03, 2012 09:32 PM

DUKE\_NCUC\_00001520

DUKE\_NCUC\_00001520-A



To: Good, Lynn J  
Subject: Low priority question

Notice of Appeal

Notice of Appeal

Confidential

Confidential

Notice of Appeal

Notice of Appeal

DUKE\_NCUC\_00001521

DUKE\_NCUC\_00001521-A

**Subject:** FW: Special Telephonic Duke Energy Board Meeting re: Merger Status Update

**Location:** In-house Participants Meet in DEC4829

**Start:** 5/30/2012 8:00 AM

**End:** 5/30/2012 11:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Rogers, Jim; Manly, Marc E

**Resources:** In-house Participants Meet in DEC4829

**When:** Wednesday, May 30, 2012 8:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants Meet in DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

I am scheduled to be at the Citi investor conference in Boston – but can participate by phone if that is ok.

-----Original Appointment-----

**From:** Harrington, Sue C

**Sent:** Wednesday, May 02, 2012 1:00 PM

**To:** Harrington, Sue C; (James.Hance[Redacted - Personal Info]); Reinsch, Jim[Redacted - Personal Info]; John Forsgren; Bernhardt, Alex - [Redacted - Personal Info]; Ann M. Gray; Dan DiMicco [Redacted - Personal Info]; Rhodes, Jim [Redacted - Personal Info]; Jim Hance; Michael Browning; [Redacted - Personal Info]; Sharp [Redacted - Personal Info]; Barnett [Redacted - Personal Info]; Rogers, Jim; Manly, Marc E; Good, Lynn J; Maltz, David S

**Cc:** Bonny Light; Joyce Hiott; Kieca Pointdujour [Redacted - Personal Info]; Linda Canipe; Marilyn Voigt [Redacted - Personal Info]; Sandra S Thrower; Sandra Thrower ([Redacted - Personal Info]); Currence, Kathy K; Miller, Monica L; Sims, Bobbie A; Seaford, Robin T; Garrett, Debby

**Subject:** Special Telephonic Duke Energy Board Meeting re: Merger Status Update

**When:** Wednesday, May 30, 2012 8:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants Meet in DEC4829

**When:** Wednesday, May 30, 2012 8:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house Participants Meet in DEC4829

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DUKE\_NCUC\_00001522-A

Note: The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

A special telephonic Duke Energy Board meeting will be held on Wednesday, May 30, from 8:00am to 11:00am. The purpose of this meeting will be to provide an update on the status of the merger. I will notify you when the agenda and other information are available for your review in BoardVantage. This meeting is still tentative, but we wanted to get it on everyone's calendars in order to free up all of the other times that are being held.

Dial-In Information

Charlotte and International: [Redacted - Personal Info]  
Other Locations: [Redacted - Personal Info]  
Participant Code: [Redacted - Personal Info]  
Moderator: [Redacted - Personal Info] (Marc Manly)

DUKE\_NCUC\_00001523

DUKE\_NCUC\_00001523-A

**Subject:** Special Telephonic Duke Energy Board Meeting re: Merger Status Update

**Location:** In-house Participants Meet in DEC4829

**Start:** 5/30/2012 8:00 AM

**End:** 5/30/2012 11:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (James Hance [Redacted - Personal Info], Reinsch, Jim [Redacted - Personal Info], John Forsgren; Bernhardt, Alex [Redacted - Personal Info], Ann M. Gray; Dan DiMicco [Redacted - Personal Info], Rhodes, Jim [Redacted - Personal Info], Jim Hance; Michael Browning [Redacted - Personal Info], Sharp [Redacted - Personal Info], Barnett [Redacted - Personal Info], Rogers, Jim; Manly, Marc E; Good, Lynn J; Maltz, David S

**Optional Attendees:** Bonny Light; Joyce Hiott; Kieca Pointdujour [Redacted - Personal Info], Linda Canipe; Marilyn Voigt [Redacted - Personal Info], Sandra S Thrower; Sandra Thrower [Redacted - Personal Info], Currence, Kathy K; Miller, Monica L; Sims, Bobbie A; Seaford, Robin T; Garrett, Debby

**Resources:** In-house Participants Meet in DEC4829

**When:** Wednesday, May 30, 2012 8:00 AM-11:00 AM (GMT-05:00) Eastern Time (US & Canada).  
**Where:** In-house Participants Meet in DEC4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*\*\*\*\*

A special telephonic Duke Energy Board meeting will be held on Wednesday, May 30, from 8:00am to 11:00am. The purpose of this meeting will be to provide an update on the status of the merger. I will notify you when the agenda and other information are available for your review in BoardVantage. This meeting is still tentative, but we wanted to get it on everyone's calendars in order to free up all of the other times that are being held.

Dial-In Information

**Charlotte and International:** [Redacted - Personal Info]  
**Other Locations:** [Redacted - Personal Info]  
**Participant Code:** [Redacted - Personal Info]

**Moderator:** [Redacted - Personal Info] (Marc Manly)

DUKE\_NCUC\_00001524

DUKE\_NCUC\_00001524-A

DUKE\_NCUC\_00001525

DUKE\_NCUC\_00001525-A

**From:** Good, Lynn J <Lynn.Good@duke-energy.com>  
**Sent:** Tuesday, May 1, 2012 7:51 PM  
**To:** Bernhardt, Alex - [Redacted - Personal Info]; Ann M. Gray  
[Redacted - Personal Info] Dan DiMicco; [Redacted - Personal Info] Rhodes, Jim -  
[Redacted - Personal Info] Jim Hance; [Redacted - Personal Info] >; Reinsch, Jim -  
[Redacted - Personal Info] Rogers, Jim <Jim.Rogers@duke-energy.com>; John Forsgren  
[Redacted - Personal Info] >; Michael Browning [Redacted - Personal Info]  
Sharp [Redacted - Personal Info] Barnett3, W [Redacted - Personal Info]  
**Cc:** Harrington, Sue C <Sue.Harrington@duke-energy.com>  
**Subject:** Progress Energy 1Q Earnings Summary

---

We had a chance to review first quarter earnings for Progress this afternoon and we wanted to provide you with a brief update. Progress is scheduled to report first quarter earnings on Thursday, May 3.

# Notice of Appeal

# Confidential

As always, drop me a note or call if you have questions. Thank you.

DUKE\_NCUC\_00001526

DUKE\_NCUC\_00001526-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Tuesday, May 1, 2012 5:31 PM  
**To:** 'amgray'; Redacted - Personal Info  
**Subject:** Tomorrow

---

Ann,

The call with NEIL was re-scheduled until tomorrow...more to come.

I have followed-up on your suggestions--more to come there also.

Have a fun evening and safe flight.

All the best,  
Jim

DUKE\_NCUC\_00001527

DUKE\_NCUC\_00001527-A

**From:** Good, Lynn J [Redacted - Personal Info]  
**Sent:** Monday, April 30, 2012 8:28 PM  
**To:** Bernhardt, Alex - [Redacted - Personal Info]; 'Ann M. Gray'  
[Redacted - Personal Info]; Rhodes, Jim - [Redacted - Personal Info]; 'John Forsgren'  
[Redacted - Personal Info]; 'Michael Browning' [Redacted - Personal Info];  
Sharp - [Redacted - Personal Info]  
**Cc:** Harrington, Sue C [Redacted - Personal Info]; Rogers, Jim  
<Jim.Rogers@duke-energy.com>  
**Subject:** Earnings Release and Form 10-Q Disclosure Update  
**Attach:** 5-4-12\_1Q2012 Earnings News Release DRAFT11 REP DRAFT-1.DOCX; 4-30-12  
FE\_G Indiana Edwardsport settlement\_FINAL-1.doc; ATT00001.txt

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Following the Board meeting last week regarding the Edwardsport settlement, we requested and received Progress' Board consent. We signed the settlement agreement this afternoon and issued a press release and Form 8-K announcing the Edwardsport settlement. A copy of the press release is attached to this email.

We have also updated our first quarter 2012 earnings release, revised to reflect the Edwardsport settlement and the financial implications of the settlement agreement. A copy of the updated 2012 earnings release is also attached.

We will have hard copies of the most current drafts of the earnings release and Form 10-Q available at our Audit Committee meeting on Wednesday. Those drafts will include the Edwardsport disclosure. The Form 10-Q disclosure language will be tailored after the disclosure in the press release.

# Notice of Appeal

I look forward to seeing you on Wednesday. As always, call or drop me a note if you have questions. Thanks.

DUKE\_NCUC\_00001528

DUKE\_NCUC\_00001528-A





NEWS RELEASE

Duke Energy Corporation  
P.O. Box 1009  
Charlotte, NC 28201-1009

May 4, 2012

MEDIA CONTACT

Phone:

24-Hour:

Tom Shiel

Redacted - Personal Info

DRAFT #11 5:00 p.m. 4-30-12  
REPRESENTATION DRAFT

ANALYST CONTACT

Phone:

Bill Currans

Redacted - Personal Info

**Duke Energy Overcomes Mild Weather to Post Solid First-Quarter 2012 Results**

- *First quarter 2012 adjusted diluted earnings per share (EPS) were 38 cents, compared to 39 cents for the first quarter 2011*
- *Reported diluted EPS for first quarter 2012 was 22 cents, compared to 38 cents for the first quarter 2011*
  - *Reported diluted EPS for the first quarter 2012 includes pre-tax charges of approximately \$420 million, or 20 cents per share, related to the Edwardsport project*

CHARLOTTE, N.C. – Duke Energy today announced first quarter 2012 adjusted diluted EPS of 38 cents, compared to 39 cents for first quarter 2011, and reported diluted EPS of 22 cents, compared to 38 cents for the same period last year.

Reported results for the first quarter 2012 include pre-tax charges of approximately \$420 million related to the company's Edwardsport Integrated Gasification Combined Cycle (IGCC) project, which have been excluded from adjusted diluted EPS.

These charges are the result of the provisions of a settlement agreement related to regulatory proceedings involving the project.

- more -

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- 2 -

Participants in the settlement include the Indiana Office of the Utility Consumer Counselor, Indiana Industrial Group and Nucor Steel-Indiana, which have been involved in regulatory proceedings related to the project.

On an adjusted basis, the effects of mild weather during the quarter were largely offset by the implementation of new customer rates in the Carolinas and reduced operation and maintenance costs at the regulated utilities.

Temperatures in the first quarter were the warmest on record for the contiguous United States, according to the National Climatic Data Center. Duke Energy Carolinas saw the lowest number of heating degree days on record.

In the non-regulated Commercial businesses, stronger results at Duke Energy International helped offset the expected reduction in earnings at Commercial Power that were the result of the new Electric Security Plan (ESP) in Ohio.

"Our first quarter adjusted results highlight the ability of our diverse business operations and cost control measures to mitigate the impacts of the mild weather we experienced," said James E. Rogers, chairman, president and chief executive officer. "The first quarter of 2012 shows we are well-positioned to achieve our 2012 adjusted earnings guidance range of \$1.40 to \$1.45 per share.

"With respect to our proposed merger with Progress Energy, we continue to work with federal and state regulators toward its successful completion," he added. "We are targeting a July 1 closing date."

- more -

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Mark-to-market impacts of economic hedges in the Commercial Power segment and special items affecting Duke Energy's adjusted diluted EPS for the quarters include:

(In millions, except per-share amounts)	Pre-Tax Amount	Tax Effect	1Q2012 EPS Impact	1Q2011 EPS Impact
<b>First Quarter 2012</b>				
• Edwardsport Impairment	\$(420)	\$152	\$(0.20)	
• Costs to Achieve, Progress Merger	\$(8)	\$2	—	
• Voluntary Severance Opportunity Plan Expense/Deferral	\$99	\$(39)	\$0.04	
• Mark-to-market impact of economic hedges	\$2	\$(1)	—	
<b>First Quarter 2011</b>				
• Costs to Achieve, Progress Merger	\$(11)	\$4		\$(0.01)
• Mark-to-market impact of economic hedges	\$(4)	\$1		—
<b>Total diluted EPS impact</b>			<b>\$(0.16)</b>	<b>\$(0.01)</b>

Reconciliation of reported to adjusted diluted EPS for the quarters:

	1Q2012 EPS	1Q2011 EPS
<b>Diluted EPS, as reported</b>	\$0.22	\$0.38
Adjustments to reported EPS:		
• Diluted EPS impact of special items and mark-to-market in Commercial Power	\$0.16	\$0.01
<b>Diluted EPS, adjusted</b>	<b>\$0.38</b>	<b>\$0.39</b>

## BUSINESS UNIT RESULTS

Below is a discussion of first-quarter results on an adjusted segment income basis, which is a non-GAAP financial measure. The tables on pages 20 through 21 present a reconciliation of reported results to adjusted results.

Beginning in 2012, Duke Energy evaluates segment financial performance and

allocation of resources on the basis of segment income, rather than the previous segment measure of earnings before interest and taxes from continuing operations. Segment income is calculated as income from continuing operations, which is net of interest expense and income taxes, and net of amounts attributable to non-controlling interests. In addition, unallocated corporate costs, which were previously reflected in "Other," are now allocated to each segment. As a result, prior period segment results presented in this release have been restated to conform to this change.

#### **U.S. Franchised Electric and Gas (USFE&G)**

USFE&G recognized first-quarter 2012 adjusted segment income of \$344 million, compared to \$341 million in the first quarter 2011.

USFE&G's quarterly results were primarily driven by the implementation of new customer rates in the Carolinas (+\$0.03 per share impact), lower operation and maintenance costs (+\$0.01 per share impact) and a favorable revenue true-up following a South Carolina regulatory ruling related to the company's energy efficiency programs (+\$0.01 per share impact). These results were offset by unfavorable weather resulting from a mild winter (-\$0.04 per share impact) and higher depreciation expense (-\$0.01 per share impact).

#### **International Energy**

International Energy saw first-quarter 2012 adjusted segment income of \$142 million, compared to \$128 million in the first quarter 2011. International Energy's quarterly results increased primarily due to favorable volumes and pricing in Brazil (+\$0.02 per share impact). This was partially offset by the prior year favorable arbitration award in Peru (-\$0.01 per share impact).

#### **Commercial Power**

Commercial Power posted first-quarter 2012 adjusted segment income of \$30

million, compared to \$52 million in the first quarter 2011.

Commercial Power's quarterly results decreased primarily because of lower earnings from the Midwest coal generation fleet (-\$0.02 per share impact) resulting from the new ESP in Ohio, and lower margins and volumes realized by Duke Energy Retail (-\$0.01 per share impact). These results were partially offset by the non-bypassable stability charge (+\$0.01 per share impact) and higher results from the Midwest gas-fired generation fleet (+\$0.01 per share impact).

#### Other

On an adjusted basis, Other primarily includes corporate interest expense not allocated to the business units, results from Duke Energy's captive insurance company and income tax levelization adjustments.

Other recognized a first-quarter 2012 adjusted net expense of \$10 million, compared to zero in the first quarter 2011.

#### ANALYST CONFERENCE CALL

An earnings conference call for analysts is scheduled for 11 a.m. ET Friday, May 4. The conference call can be accessed via the investors' section (<http://www.duke-energy.com/investors/>) of Duke Energy's website or by dialing [Redacted - Personal Info] in the United States or [Redacted - Personal Info] outside the United States. The confirmation code is [Redacted - Personal Info]. Please call in 10 to 15 minutes prior to the scheduled start time. A replay of the conference call will be available until midnight ET, May 14, 2012, by calling [Redacted - Personal Info] in the United States or [Redacted - Personal Info] outside the United States and using the code [Redacted - Personal Info]. A replay and transcript also will be available by accessing the investors' section of the company's website.

## NON-GAAP FINANCIAL MEASURES

The primary performance measure used by management to evaluate segment performance is segment income, which at the segment level represents all profits from continuing operations (both operating and non-operating) and is net of the income attributable to non-controlling interests.

Management believes segment income, which is the GAAP measure used to report segment results, is a good indicator of each segment's operating performance as it represents the approximate net income contribution of Duke Energy's business segments by incorporating the direct financing methods or capital structures of the business segments as well as the income tax attributes of the businesses and regions in which they operate.

Duke Energy's management uses adjusted diluted EPS, which is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment, as a measure to evaluate operations of the company.

Special items represent certain charges and credits, which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting treatment, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities

- more -

related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS provides useful information to investors, as it provides them an additional relevant comparison of the company's performance across periods. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of adjusted diluted EPS for future periods, information to reconcile such non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast special items and the mark-to-market impacts of economic hedges in the Commercial Power segment for future periods.

Duke Energy also uses adjusted segment income and adjusted Other net expenses as a measure of historical and anticipated future segment and Other performance. Adjusted segment income and adjusted Other net expenses are non-GAAP financial measures, as they represent reported segment income and Other net expenses adjusted for special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Management believes that the presentation of adjusted segment income and adjusted Other net expenses provides useful information to investors, as it provides them an additional relevant comparison of a segment's or Other's performance across periods. When an EPS amount is provided for a segment income driver, the per share impact is derived by taking the before-tax amount of the item less income taxes based on the segment's effective tax rate, divided by the Duke

- more -

Energy weighted-average shares outstanding for the period. The most directly comparable GAAP measure for adjusted segment income or adjusted Other net expenses is reported segment income or Other net expenses, which represents segment income and Other net expenses from continuing operations, including any special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of any forecasted adjusted segment income or adjusted Other net expenses and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast special items, the mark-to-market impacts of economic hedges in the Commercial Power segment, or any amounts that may be reported as discontinued operations or extraordinary items for future periods.

Duke Energy is one of the largest electric power holding companies in the United States. Its regulated utility operations serve approximately 4 million customers located in five states in the Southeast and Midwest, representing a population of approximately 11 million people. Its commercial power and international business segments own and operate diverse power generation assets in North America and Latin America, including a growing portfolio of renewable energy assets in the United States. Headquartered in Charlotte, N.C., Duke Energy is a Fortune 500 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available on the Internet at: [www.duke-energy.com](http://www.duke-energy.com).

#### **Forward-Looking Information**

This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions.

These forward-looking statements are identified by terms and phrases such as

- more -



"anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" and similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, as well as rulings that affect cost and investment recovery or have an impact on rate structures; costs and effects of legal and administrative proceedings, settlements, investigations and claims; industrial, commercial and residential growth or decline in Duke Energy Corporation's (Duke Energy) service territories, customer base or customer usage patterns; additional competition in electric markets and continued industry consolidation; political and regulatory uncertainty in other countries in which Duke Energy conducts business; the influence of weather and other natural phenomena on Duke Energy operations, including the economic, operational and other effects of storms, hurricanes, droughts and tornadoes; the impact on Duke Energy's facilities and business from a terrorist attack; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates; unscheduled generation outages, unusual maintenance or repairs and electric transmission system constraints; the performance of electric generation facilities and of projects undertaken by Duke Energy's non-regulated businesses; the results of financing efforts, including Duke Energy's ability to obtain financing on favorable terms, which can be affected by various factors, including Duke Energy's credit ratings and general economic conditions; declines in the market prices of equity securities and resultant cash funding requirements for Duke Energy's defined benefit pension plans; the level of creditworthiness of counterparties to Duke Energy's transactions; employee workforce factors, including the potential inability to attract and

- more -

retain key personnel; growth in opportunities for Duke Energy's business units, including the timing and success of efforts to develop domestic and international power and other projects; construction and development risks associated with the completion of Duke Energy's capital investment projects in existing and new generation facilities, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from ratepayers in a timely manner or at all; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; the expected timing and likelihood of completion of the proposed merger with Progress Energy, Inc. (Progress Energy), including the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed merger that could reduce anticipated benefits or cause the parties to abandon the merger, the diversion of management's time and attention from Duke Energy's ongoing business during this time period, the ability to maintain relationships with customers, employees or suppliers as well as the ability to successfully integrate the businesses and realize cost savings and any other synergies and the risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect; the risk that the proposed merger with Progress Energy is terminated prior to completion and results in significant transaction costs to Duke Energy; and the ability to successfully complete merger, acquisition or divestiture plans.

These risks, as well as other risks associated with the merger, are more fully discussed in the joint proxy statement/prospectus that is included in the Registration Statement on Form S-4 that was filed with the SEC in connection with the merger. Additional risks and uncertainties are identified and discussed in Progress Energy's and Duke Energy's reports filed with the SEC and available at the SEC's website at [www.sec.gov](http://www.sec.gov).

In light of these risks, uncertainties and assumptions, the events described in the

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forward-looking statements might not occur or might occur to a different extent or at a different time than Duke Energy has described. Duke Energy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

###

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NEWS RELEASE

Duke Energy Corporation  
1000 E. Main Street  
Plainfield, IN 46168

April 30, 2012

MEDIA CONTACT:

Phone:

24-hour :

Angeline Protogere

Redacted - Personal Info

ANALYST CONTACT:

Phone:

Bill Currens

Redacted - Personal Info

**Duke Energy Reaches Settlement Agreement  
with Key Consumer Groups on Edwardsport Plant Costs**

- ***Agreement reduces what consumers will pay for project***
- ***Company will recognize pretax charges of approximately \$420 million in the first quarter of 2012 to reflect settlement provisions***
- ***Settlement includes \$3.5 million to assist low-income customers with energy costs; \$1 million for Duke/Utility Consumer Counselor Clean Energy Initiative***

PLAINFIELD, Ind. – Duke Energy Indiana today announced a settlement agreement with some of the state's key consumer groups involved in regulatory proceedings dealing with the company's Edwardsport coal gasification power plant.

The proposal, which was filed with state regulators, is subject to Indiana Utility Regulatory Commission (IURC) approval.

Participants in the settlement, which covers all phases of the Edwardsport subdocket proceedings, are the Indiana Office of Utility Consumer Counselor, the Duke Energy Indiana Industrial Group and Nucor Steel-Indiana.

The joint intervenor group, consisting of the Citizens Action Coalition, Sierra Club, Save the Valley and Valley Watch, is not part of the settlement.

- more -

[www.duke-energy.com](http://www.duke-energy.com)

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- 2 -

"If approved, this agreement achieves two important objectives: It reduces what Duke Energy Indiana customers will pay for an advanced technology power plant, and it resolves uncertainty for Duke Energy shareholders," said Duke Energy Indiana President Doug Esamann.

"We're now in the home stretch of completing a facility that will modernize our electric system and provide Indiana with cleaner power to meet increasingly strict federal environmental regulations," he added.

Construction on the Edwardsport plant near Vincennes, Ind., is nearly complete and due to begin serving customers this fall. Current plant costs are estimated at \$3.3 billion, including financing charges.

Key provisions of the proposed settlement include:

- A cap on project costs to be included in electric rates of \$2.595 billion, which includes estimated financing costs through June 30, 2012. If a commission order placing the project into customer rates comes after June 30, Duke Energy Indiana will be able to recover additional financing costs until customer rates are revised.
- Customers will not pay the full cost of the project. Overall customer rates will rise, on average, an additional 9.6 percent above the approximately 5 percent already in rates. The increase will be implemented over two years (3.2 percent upon settlement approval and then a 6.4 percent increase in mid-2013).
- Without the settlement, the project would have increased customer rates by approximately 22 percent, compared to approximately 14.5 percent as a result of this agreement.

- more -

[www.duke-energy.com](http://www.duke-energy.com)

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- Other settlement terms, effective upon commission approval, that help limit the rate impact to 14.5 percent, include:
  - reduced annual depreciation expense of \$35 million on assets other than Edwardsport, and
  - elimination of approximately \$22 million in annual deferred tax incentives.
- The settlement also stipulates a \$32 million annual reduction in customer rates related to depreciation expense on pollution control investments in the company's next electric base rate case.
- The agreement stipulates that the earliest the company can file a new base rate increase request with state regulators is March 2013, with rates effective no earlier than April 1, 2014.
- The agreement also designates approximately \$20 million to reimburse consumer group attorney fees, litigation expenses and other funding commitments, including \$3.5 million of contributions over five years to Indiana's Low Income Home Energy Assistance Program and \$1 million to fund a collaborative clean energy initiative by Duke Energy Indiana and the Office of Utility Consumer Counselor.

As a result of the settlement provisions, Duke Energy expects to take pretax charges of approximately \$420 million (20 cents per share) in the first quarter of 2012. These charges will be reflected as a "special item" and, therefore, excluded from adjusted diluted earnings per share. The company had previously recorded pretax charges of \$265 million related to the project.

#### **Background on the Edwardsport Project**

The Edwardsport plant will use state-of-the-art technology to gasify coal, strip out pollutants, and then burn that cleaner gas to produce electricity. This advanced, integrated gasification combined cycle technology significantly improves plant

- more -

[www.duke-energy.com](http://www.duke-energy.com)

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efficiency and reduces carbon emissions per megawatt-hour by nearly half.

Regulators authorized the company in 2007 to construct the technologically advanced clean coal power plant in Edwardsport, Ind. It is the first time a plant this size using this advanced clean coal technology has been built.

The approximately 618-megawatt plant is a critical part of Duke Energy Indiana's efforts to modernize its generation fleet and an initial step toward replacing older, coal-fired generation expected to be retired due to pending EPA regulations. The Edwardsport plant will:

- Produce 10 times as much power as the former plant at Edwardsport, yet with significantly less environmental impact than the much smaller plant it replaces.
- Be the first major new coal-fired power plant built in Indiana in more than two decades. The plant is a key step in modernizing the state's aging electric system.
- Generate marketable byproducts. This plant will produce sulfur and slag for agricultural and construction materials. Any revenues from marketable byproducts will go to customers.
- Replace a 160-megawatt, 60-plus-year-old power plant with state-of-the-art efficiency. Because of its efficiency, Edwardsport will be one of the first plants called on when power is needed, which reduces the need to run older, less efficient units.
- Create jobs. As one of the largest construction projects ever undertaken in Indiana, about 3,500 construction workers and other professionals worked on site during peak construction. The plant will employ about 130 full-time workers. In addition, the 1.7 million to 1.9 million tons of coal the plant will use each year will support an estimated 170 mining jobs.

- more -

[www.duke-energy.com](http://www.duke-energy.com)

DUKE\_NCUC\_00001543

DUKE\_NCUC\_00001543-A

### **Duke Energy Indiana**

Duke Energy Indiana's operations provide approximately 6,800 megawatts of owned electric capacity to approximately 790,000 customers, making it the state's largest electric supplier. Duke Energy is one of the largest electric power holding companies in the United States. Headquartered in Charlotte, N.C., its regulated utility operations serve 4 million electric customers in the Carolinas, Indiana, Ohio and Kentucky, and a half-million natural gas customers in Ohio and Kentucky. Its Commercial Power and International Energy business segments own and operate diverse power generation assets in North America and Latin America, including a growing portfolio of renewable energy assets in the United States. A Fortune 500 company, Duke Energy is listed on the New York Stock Exchange under the symbol DUK. More information is available at: [www.duke-energy.com](http://www.duke-energy.com).

###



**Subject:** Tentative Special Telephonic Duke Energy Board Meeting re Edwardsport Settlement

**Location:** In-house participants to meet in DEC 4829

**Start:** 4/26/2012 4:00 PM

**End:** 4/26/2012 5:00 PM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** (James Hance - [Redacted - Personal Info]); Reinsch, Jim - [Redacted - Personal Info]; John Forsgren; Bernhardt, Alex - [Redacted - Personal Info]; Ann M. Gray; Rhodes, Jim - [Redacted - Personal Info]; Jim Hance; Michael Browning; [Redacted - Personal Info] Sharp - [Redacted - Personal Info]; Barnet - [Redacted - Personal Info]; Rogers, Jim; Manly, Marc E; Maltz, David S

**Optional Attendees:** Bonny Light; Joyce Hiott; Linda Canipe; Marilyn Voigt - [Redacted - Personal Info]; Sandra S Thrower; Sandra Thrower - [Redacted - Personal Info]; Currence, Kathy K; Sims, Bobbie A; Garrett, Debby

**Resources:** In-house participants to meet in DEC 4829

**When:** Thursday, April 26, 2012 4:00 PM-5:00 PM (GMT-05:00) Eastern Time (US & Canada).

**Where:** In-house participants to meet in DEC 4829

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*\*\*\*\*

Please hold Thursday, April 26, from 4:00pm to 5:00pm for a possible special telephonic Duke Energy Board meeting. The purpose of this meeting will be to discuss and approve a potential Edwardsport settlement, depending on the outcome of the negotiations this week.

**Dial-In Information**

**Charlotte:** [Redacted - Personal Info]

**Other Locations:** [Redacted - Personal Info]

**Participant Code:** [Redacted - Personal Info]

**Moderator:** [Redacted - Personal Info]

DUKE\_NCUC\_00001545

DUKE\_NCUC\_00001545-A

**From:** Sharp, Phil [Redacted - Personal Info]  
**Sent:** Sunday, April 22, 2012 2:26 PM  
**To:** Jim Rhodes [Redacted - Personal Info]  
**Cc:** Bill Barnet [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info]; Jim Rogers [Redacted - Personal Info]  
**Subject:** Re: Draft NRC Submittal - PRIVILEGED AND CONFIDENTIAL  
**Attach:** image001.jpg

---

Jim,  
I have reviewed the documents and have nothing further to add. I appreciate the thoroughness with which you have approached this matter from the beginning and all the time you put in.  
Phil

Sent from my iPad

On Apr 21, 2012, at 10:34 PM, "Jim Rhodes" [Redacted - Personal Info]

> Gentlemen--  
> Here is the latest draft of the proposed response to the NRC reflecting Jim Rogers' discussions with the investigative team Thursday afternoon. Please let me know if you have any questions or comments. I will call each of you tomorrow afternoon to touch base on this if I haven't heard from before then.  
> Jim--  
>  
> ----- Forwarded Message -----  
> From: "Vaughn, Lisa F." [Redacted - Personal Info]  
> To: "Rogers, Jim" <Jim.Rogers@duke-energy.com>; "rhodes" [Redacted - Personal Info]  
> Cc: "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>; "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
> Sent: Saturday, April 21, 2012 4:21 PM  
> Subject: Draft NRC Submittal - PRIVILEGED AND CONFIDENTIAL  
>

# Redacted - Privilege

DUKE\_NCUC\_00001546

DUKE\_NCUC\_00001546-A

# **Redacted - Privilege**

DUKE\_NCUC\_00001547

DUKE\_NCUC\_00001547-A

From: E. Jim Reinsch [Redacted - Personal Info]  
Sent: Sunday, April 22, 2012 12:59 PM  
To: Jim Rhodes [Redacted - Personal Info]  
Cc: Bill Barnett [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]; Jim Rogers <jim.rogers@duke-energy.com>  
Subject: Re: Draft NRC Submittal - PRIVILEGED AND CONFIDENTIAL

---

Jim,  
I have reviewed the documents and have no comments to add. Again, thanks for your leadership.  
Jim

Sent from my iPad

On Apr 21, 2012, at 5:45 PM, Jim Rhodes [Redacted - Personal Info] wrote:

Gentlemen--

Here is the latest draft of the proposed response to the NRC reflecting Jim Rogers' discussions with the investigative team Thursday afternoon. Please let me know if you have any questions or comments. I will call each of you tomorrow afternoon to touch base on this if I haven't heard from before then.

Jim--

— Forwarded Message —

From: "Vaughn, Lisa F." [Redacted - Personal Info]  
To: "Rogers, Jim" <Jim.Rogers@duke-energy.com>; "rhodes [Redacted - Personal Info]"  
Cc: "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>; "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
Sent: Saturday, April 21, 2012 4:21 PM  
Subject: Draft NRC Submittal - PRIVILEGED AND CONFIDENTIAL

**PRIVILEGED AND CONFIDENTIAL**

**Redacted - Privilege**

DUKE\_NCUC\_00001548

DUKE\_NCUC\_00001548-A

Gentlemen--

Here is the latest draft of the proposed response to the NRC reflecting Jim Rogers' discussions with the investigative team Thursday afternoon for your review. Please let me know if you have any questions or comments. I will call each of you tomorrow afternoon to touch base on this if I

--- Forwarded Message ---

From: "Vaughn, Lisa F." [Redacted - Personal Info]

To: "Rogers, Jim" <Jim.Rogers@duke-energy.com>; "rhodes" [Redacted - Personal Info]

Cc: "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>; "Nichols, Lara S" <Lara.Nichols@duke-energy.com>

Sent: Saturday, April 21, 2012 4:21 PM

Subject: Draft NRC Submittal - PRIVILEGED AND CONFIDENTIAL

**PRIVILEGED AND CONFIDENTIAL**

# Redacted - Privilege

Lisa F. Vaughn

Redacted - Personal Info

<image001.jpg>

<NRC Submittal Letter.docx>

<Duke -Attachment 1-Description of NSC Investigation.doc>

<Duke - Attachment 2- NSC Investigation Report Summary 07-28-11.doc>

<Duke- Attachment 3- NSC Corrective Actions and Status of Implementation.doc>

DUKE\_NCUC\_00001549

DUKE\_NCUC\_00001549-A

**From:** Alex Bernhardt [Redacted - Personal Info]  
**Sent:** Sunday, April 22, 2012 12:20 PM  
**To:** Jim Rhodes [Redacted - Personal Info]  
**Cc:** Jim Reinsch [Redacted - Personal Info]; Jim Rogers <jim.rogers@duke-energy.com>; Phil Sharp [Redacted - Personal Info]; Bill Barnett [Redacted - Personal Info]  
**Subject:** Re: Fw: Draft NRC Submittal - PRIVILEGED AND CONFIDENTIAL  
**Attach:** pic31538.jpg; pic22402.jpg

---

Jim,

I have carefully reviewed all of these attachments and have no other comments other than what we have already discussed. I am available by cell phone if I can be of assistance to you in this matter.  
tks  
Alex

**From:** Jim Rhodes [Redacted - Personal Info]  
**To:** Bill Barnett [Redacted - Personal Info]; Alex Bernhardt [Redacted - Personal Info]; Jim Reinsch [Redacted - Personal Info]; Phil Sharp [Redacted - Personal Info]  
**Cc:** Jim Rogers <jim.rogers@duke-energy.com>  
**Date:** 04/21/2012 05:45 PM  
**Subject:** Fw: Draft NRC Submittal - PRIVILEGED AND CONFIDENTIAL

Gentlemen--

Here is the latest draft of the proposed response to the NRC reflecting Jim Rogers' discussions with the investigative team Thursday afternoon. Please let me know if you have any questions or comments. I will call each of you tomorrow afternoon to touch base on this if I haven't heard from before then.  
Jim--

--- Forwarded Message ---

**From:** "Vaughn, Lisa F." [Redacted - Personal Info]  
**To:** "Rogers, Jim" <jim.rogers@duke-energy.com>; "rhodes" [Redacted - Personal Info]; [Redacted - Personal Info]  
**Cc:** "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>; "Nichols, Lara S" <Lara.Nichols@duke-energy.com>  
**Sent:** Saturday, April 21, 2012 4:21 PM  
**Subject:** Draft NRC Submittal - PRIVILEGED AND CONFIDENTIAL

# Redacted - Privilege

DUKE\_NCUC\_00001550

DUKE\_NCUC\_00001550-A

**Redacted - Privilege**

----- Forwarded Message -----

From: "Vaughn, Lisa F." **Redacted - Personal Info**

To: "Rogers, Jim" <Jim.Rogers@duke-energy.com>; "rhodes" **Redacted - Personal Info**

**Redacted - Personal Info**

Cc: "Peed, Cheryl T" <Cheryl.Peed@duke-energy.com>; "Nichols, Lara S" <Lara.Nichols@duke-energy.com>

Sent: Saturday, April 21, 2012 4:21 PM

Subject: Draft NRC Submittal - PRIVILEGED AND CONFIDENTIAL

**Redacted - Privilege**

DUKE\_NCUC\_00001551

DUKE\_NCUC\_00001551-A

**Redacted - Privilege**

DUKE\_NCUC\_00001552

DUKE\_NCUC\_00001552-A



**From:** Ann Maynard Gray **Redacted - Personal Info**  
**Sent:** Tuesday, April 17, 2012 1:11 PM  
**To:** Rogers, Jim <jim.rogers@duke-energy.com>  
**Subject:** Re: NEIL mtg

---

Jim,  
Thanks for forwarding note from Dhiaa; long path to clarity on this, your meeting will help a lot.  
Best, Ann

Sent from my iPad

On Apr 17, 2012, at 10:12 AM, "Rogers, Jim" <Jim.Rogers@duke-energy.com> wrote:

> Ann,

>

# Notice of Appeal

> Best,

> Jim

>

> ----- Original Message -----

> From: Jamil, Dhiaa M

> Sent: Monday, April 16, 2012 08:46 PM

> To: Rogers, Jim; Good, Lynn J; Manly, Marc E

> Subject: NEIL mtg

# Redacted - Privilege

DUKE\_NCUC\_00001553

DUKE\_NCUC\_00001553-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Tuesday, April 17, 2012 10:13 AM  
**To:** 'amgray'; Redacted - Personal Info  
**Subject:** Fw: NEIL mtg

---

Ann,

# Notice of Appeal

Best,  
Jim

----- Original Message -----

From: Jamil, Dhiaa M  
Sent: Monday, April 16, 2012 08:46 PM  
To: Rogers, Jim; Good, Lynn J; Manly, Marc E  
Subject: NEIL mtg

# Redacted - Privilege

DUKE\_NCUC\_00001554

DUKE\_NCUC\_00001554-A

**From:** Garrett, Debby <T26615@duke-energy.com>  
**Sent:** Saturday, March 24, 2012 10:13 AM  
**To:** Ann Maynard Gray [Redacted - Personal Info] Dan DiMicco [Redacted - Personal Info]  
Bernhardt, Alex - [Redacted - Personal Info] James H. Hance, Jr.  
<[Redacted - Personal Info] Rhodes, Jim - [Redacted - Personal Info] John Forsgren  
<[Redacted - Personal Info] Michael G. Browning <[Redacted - Personal Info]>; Reinsch,  
Jim [Redacted - Personal Info] Sharp [Redacted - Personal Info] Rogers, Jim  
<Jim.Rogers@duke-energy.com>; Barne [Redacted - Personal Info]  
**Cc:** Sisk, Tom [Redacted - Personal Info] Bonny Light [Redacted - Personal Info]  
Currence, Kathy K <Kathy.Currence@duke-energy.com>; Elizabeth Gilliam  
<[Redacted - Personal Info] Joyce Hiott [Redacted - Personal Info] Kieca Pointdujour  
[Redacted - Personal Info] Linda Canipe [Redacted - Personal Info] Marilyn  
Voigt [Redacted - Personal Info] Miller, Monica L <Monica.Miller@duke-energy.com>; Sandra  
Thrower [Redacted - Personal Info] Sandra Thrower  
[Redacted - Personal Info] Holtz-Longshaw, Vicki A <Vicki.Holtz-Longshaw@duke-  
energy.com>  
**Subject:** May 2-3 Duke Energy Board and Committee Meetings  
**Attach:** 2012.05.03 Schedule of Meetings\_v1\_0.doc

---

To assist with your travel planning, attached is the May 2-3 Board and committee schedule of meetings. As always, Tom Sisk, [Redacted - Personal Info] will be happy to assist you with your flight reservations. I will arrange your ground transportation after I receive your flight information. Please let me know if you would like for me to reserve you a room at The Ritz for one evening (May 2) or two evenings (May 1 and 2). Please note that the Corporate Governance Committee will not meet in May and the Compensation Committee will meet from 12:30pm-2:00pm rather than 11:00am-12:30pm. Also, note that the May 3 meetings will take place at the 526 S. Church Street building (old Corporate headquarters). Similar to last year, the meeting location for May 3 is intended to make it more convenient for you to attend the Annual Shareholder Meeting, which will be held in the O. J. Miller Auditorium as usual. For your convenience, parking will be available on May 3<sup>rd</sup> in the outside lot at the 526 S. Church Street building for the Directors who typically drive. Please feel free to call or email me with any questions you may have. Thanks.

Debby Garrett  
Associate, Board of Directors  
Duke Energy Corporation

[Redacted - Personal Info]

[Redacted - Personal Info]  
debby.garrett@duke-energy.com

**Confidentiality Notice**

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DUKE\_NCUC\_00001555-A

**DUKE ENERGY CORPORATION  
BOARD OF DIRECTORS**

**SCHEDULE OF MEETINGS – MAY 2 AND 3, 2012**

**Catawba Nuclear Station – York, South Carolina**

**Corporate Headquarters – Duke Energy Center  
550 South Tryon Street, Charlotte, North Carolina**

<b><u>WEDNESDAY MAY 2, 2012</u></b>	<b><u>MEETING</u></b>
8:00AM – 1:00PM	Nuclear Oversight Committee (Catawba Nuclear Station – York, South Carolina)
11:30AM – 1:30PM	Lunch (Room 4659 – Corporate Headquarters)
12:30PM – 2:00PM	Compensation Committee (Room 4719 – Corporate Headquarters)
2:00PM – 4:30PM	Finance and Risk Management Committee (Board Room – Corporate Headquarters)
4:30PM – 6:30PM	Audit Committee (Board Room – Corporate Headquarters)
6:30PM	Reception and Dinner (The Vista (46 <sup>th</sup> Floor) – Corporate Headquarters)
<b><u>THURSDAY MAY 3, 2012</u></b>	<b><u>MEETING</u></b>
6:30AM – 8:00AM	Breakfast (Dining Room – 526 South Church Street)
8:00AM – 9:45AM	Duke Energy Board Meeting (Board Room – 526 South Church Street)
10:00AM – 11:30AM	Annual Shareholder Meeting (O.J. Miller Auditorium – 526 South Church Street)
11:45AM – 12:30PM	Reconvene Board Meeting (Board Room – 526 South Church Street)
12:30PM – 1:00PM	Independent Directors Meeting, including lunch, and briefing of Chairman at end of session, if necessary (Dining Room – 526 South Church Street)

Corporate Governance Committee will not meet in May

#439394

DUKE\_NCUC\_00001556

DUKE\_NCUC\_00001556-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Tuesday, September 13, 2011 6:47 PM  
**To:** Ann Gray [Redacted - Personal Info] Barnet, W [Redacted - Personal Info]; Bernhardt, Alex - bernhardt [Redacted - Personal Info] Dan DiMicco [Redacted - Personal Info] Jim Hance [Redacted - Personal Info] John Forsgren [Redacted - Personal Info] Michael Browning [Redacted - Personal Info] Reinsch, Jim [Redacted - Personal Info] Sharp [Redacted - Personal Info] Rhodes, Jim - [Redacted - Personal Info] Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Cc:** Bonny Light [Redacted - Personal Info] Elizabeth Gilliam [Redacted - Personal Info] Joyce Hiott [Redacted - Personal Info] Currence, Kathy K <Kathy.Currence@duke-energy.com>; Kieca Pointdujour [Redacted - Personal Info] Linda Canipe [Redacted - Personal Info] Marilyn Voigt [Redacted - Personal Info] Sandra Thrower [Redacted - Personal Info]  
**Bcc:** m; m; r; s  
**Subject:** August 2011 Board Letter  
**Attach:** August 2011 Board Letter.docx; Johnson Announces ELT for the New Duke Energy.docx; TierII\_Org\_Sept2011.pdf; Washington Post Charlotte Energy Capital.docx; CFO of the Year 2011 Lynn Good.docx

---

Attached is my August 2011 board letter as well as Bill Johnson's organizational announcement and org chart, Washington Post articles and Charlotte Business Journal CFO of the Year article as mentioned in my letter.

Please let me know if you have any questions.

Best,  
Jim

DUKE\_NCUC\_00001557

DUKE\_NCUC\_00001557-A

## **Notice of Appeal**

To: Duke Energy Board of Directors  
From: Jim Rogers  
Date: September 13, 2011  
Subject: August 2011 Board Letter

# **Notice of Appeal**

**Redacted - Privilege**

# **Notice of Appeal**

# **Notice of Appeal**

**Redacted - Privilege**

# Notice of Appeal



# Notice of Appeal

# Notice of Appeal

## **Johnson Announces Executive Leadership Team for the New Duke Energy**

**9/12/11**

Incoming Duke Energy CEO Bill Johnson today announced the individuals at the Tier II level – the new Executive Leadership Team (ELT) for the combined company. These leaders will report to the members of the Senior Management Committee and will assume their roles following the close of the merger later this year.

"Our new Executive Leadership Team is a strong, diverse and talented group of leaders from both companies who will collaborate to ensure the continued success of Duke Energy," said Johnson. "I am confident that they will provide the leadership necessary to integrate these two large organizations and continue our focus on the fundamentals of safety, customer service and operational excellence that will deliver results to customers and shareholders."

"Having provided input and guidance throughout the Tier II selection process, I can attest to the exceptional caliber of this collection of leaders," said Jim Rogers, who will assume the role of executive chairman upon completion of the merger. "Their skill sets and experience should position us well to become not only the largest utility in the country, but also the best."

The Tier II positions reflect new guidance on job titles for the merged company. Senior vice president titles will be used for significant strategic operational roles, for example, positions with a large span of control over assets and customers. Vice president titles will be used for heads of segments within the corporate office and also for positions managing segments of major operational areas. The same level of consistency regarding the use of titles will be used throughout the organization as we work through the integration process.

The new organizational chart contains additions and refinements from the preliminary organizational chart first announced June 30.

### **Next Steps**

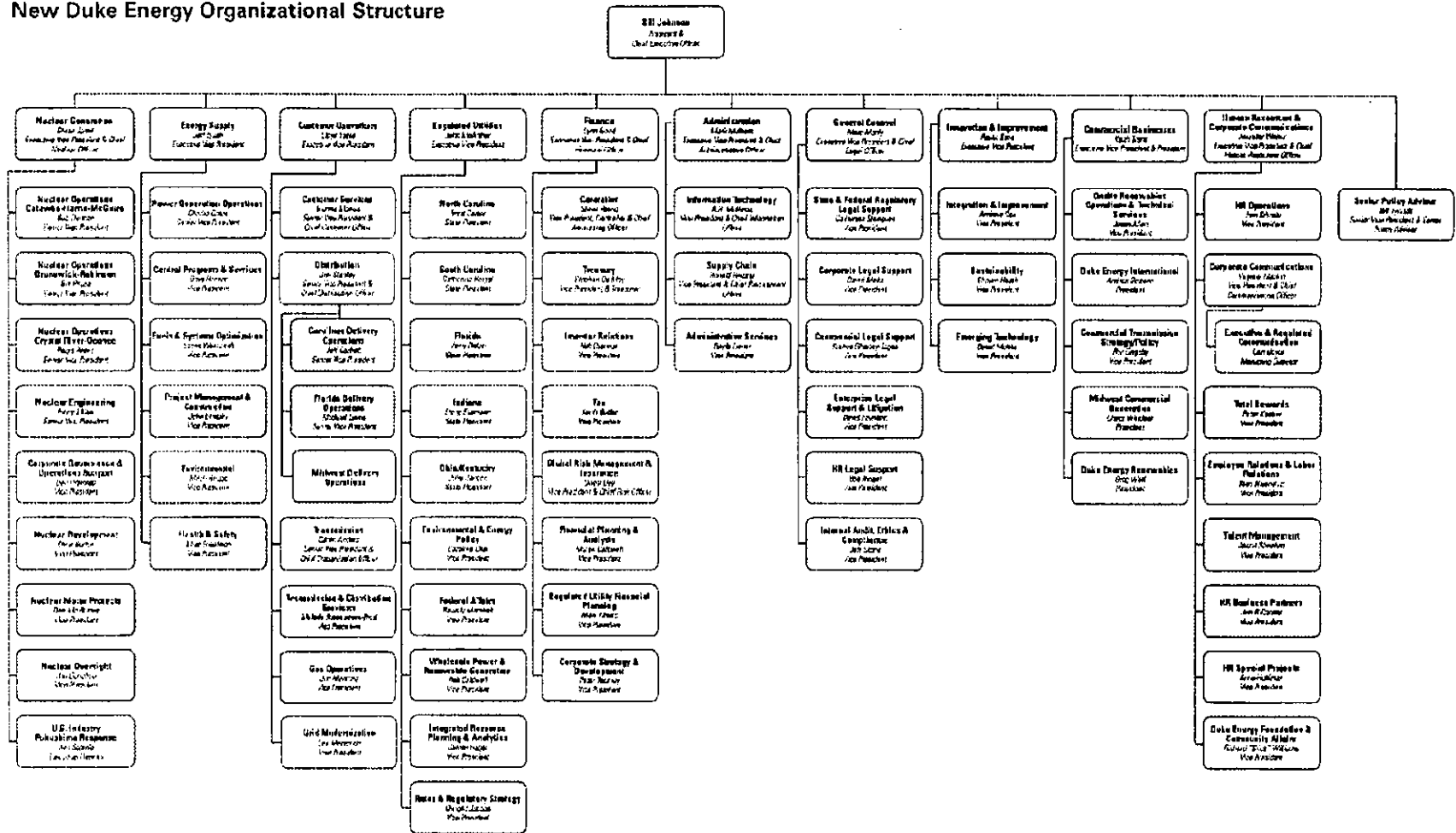
Newly named ELT members will immediately confirm the proposed structure of their organizations as designed by the merger Integration Leads and then begin the interview process for their direct reports. The selection of these Tier III leaders is expected to be announced by early November. The new ELT members will also determine eligibility for the Voluntary Severance Plan (VSP).

The overall organizational design for the new company will be complete this fall. However, staffing all positions in the new company will take several months beyond the close of the merger. Timing for completion of selection and staffing will vary in each group based on the complexity of integration issues, operational requirements and other factors. Additional details on the organizational structure will be shared as they become available.

DUKE\_NCUC\_00001563

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# New Duke Energy Organizational Structure



Effective: March 2020  
THIS CHART REFLECTS FUNCTIONAL REPORTING, NOT LEGAL.

DUKE\_NCUC\_00001564

DUKE\_NCUC\_00001564-A

**Washington Post: With electricity firms' investment, Charlotte looks to become 'energy capital'** By Paul Glader, Updated: Friday, September 9

By the end of this year, a tower built as a home for Wachovia will be the new headquarters of Duke Energy.

That switcheroo in one downtown building highlights a change sweeping Charlotte in the wake of the 2008 financial crisis. While the tidy North Carolina city of 730,000 people still counts itself as the nation's No. 2 financial center and is looking to expand in a number of areas including health, motor sports and defense, the area's energy sector is showing particular promise for growth.

Such bright spots are hard to come by at a time when the nation's unemployment rate is stubbornly locked at more than 9 percent. On Thursday, President Obama presented Congress a \$447 billion bill to put Americans back to work and repeatedly urged, "You should pass this jobs plan right away."

The travails of the financial crisis, punctuated in Charlotte by Wachovia's near collapse and takeover by Wells Fargo, thumped Charlotte's finance and insurance sector, which between 2008 and 2010 lost 9 percent of its jobs, a drop to 77,000. Bank of America, the other top-five bank in Charlotte, has packed up and moved some of its operations to New York.

And instead of regaining solid footing three years after the crisis, the financial sector is under siege once again. Bank of America rejiggered its management team last week as the giant finance firm grapples with a dwindling share price and new legal liabilities over mortgage deals. The bank has taken a \$5 billion investment from Warren Buffett. And a restructuring reportedly could cut as many as 40,000 jobs.

Meanwhile, since 2007 Charlotte has added about 5,600 energy-related jobs, taking the total to roughly 27,000 at 250 energy-oriented firms, according to economic development officials. About 2,000 energy jobs were added in 2010 and another 765 this year — not enough to replace finance jobs lost in the recession or to turn around local unemployment, which hangs at 11.2 percent. But local officials say it's a start, and their bet is long-term. They must, they say, diversify the region's economy.

Sure, cities such as Houston and Dallas command larger energy sectors, such as gas and oil, but Charlotte officials are unswayed.

"I think we are going to be the energy capital of the country before it's all over," Mayor Anthony Foxx said.

The goals, he said, stretch from corporations to consumers. In addition to luring energy firms, the city is expanding recycling, "smart" grid projects and public transit, with plans to add 10 miles of light rail and a commuter line in years to come.

"We're just as aggressive" as the Texas hubs, said Ronnie Bryant, chief executive of the Charlotte Regional Partnership, an economic development outfit. The region could "be the epicenter of environmentally-friendly energy practices," he said. And instead of focusing on oil and gas, Bryant said, Charlotte could "dominate the market for nuclear engineering."

In May, Mitsubishi Nuclear announced it would locate its main nuclear engineering office in Charlotte, adding 135 jobs there in the next five years. The local Chamber of Commerce estimates that 1,000 of 9,000 engineers in Charlotte work in nuclear energy.

**A towering presence** - The energy business in greater Charlotte, a region covering 16 counties and 2.6 million residents, is built largely around electricity rather than oil or gas and is anchored by Duke, one of the country's largest utilities. The company soon will be the dominant tenant in 21 floors of what was to be called the Wachovia Corporate Center. Now, the 48-story, energy-efficient skyscraper — the largest building in Charlotte — is called the Duke Energy Center.

DUKE\_NCUC\_00001565

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It's a big move up for Duke from its original headquarters, a nondescript 1970s-era, 13-story building in the heart of downtown. It also represents the lofty ambitions of Duke's plain-talking and colorful chief executive and chairman Jim Rogers, who has spearheaded climate change and other policy issues among energy companies. Before his two decades at Duke, Rogers, 63, was a Washington-based lawyer and energy official.

In January, he launched a \$26 billion (\$13.7 billion not including debt) bid to buy Progress Energy, a pending deal that, if approved, would make Duke the largest utility in the country in nearly every category including market capitalization (nearly \$40 billion), number of customers (roughly 7.1 million) and power generated (57.2 gigawatt capacity). "We hope to close it by the end of the year," Duke spokesman Tom Williams said.

Duke and Cisco are teaming up to update 12 million feet of office space in 62 Charlotte office buildings with smart grid technology, newer equipment and wiring that aims to reduce energy use by 20 percent in five years in these buildings. They are spending more than \$5 million on the project that will also involve digital monitors and analytics so community members can track their energy use. Rogers wants the community to be the "most energy efficient in the world."

Rogers and other local executives are holding regular meetings to plan how Charlotte should build on its position in energy to combat its 11.2 percent unemployment, up from 5.8 percent in 2007. "We have all the ingredients for creating a cluster city around energy," says Rogers, pointing to start-ups in wind, solar, coal, gas and nuclear energy. He cites business strategy guru Michael Porter's idea of "clusters" as Charlotte's blueprint.

"We're not as strong in banking," Rogers said. "The vision here is to diversify and make this an energy hub for the number of people employed over time. We want to make up for what was lost."

**An expanding sector** - In 2010, 10 companies announced energy-related expansions in the area, and several more jumped in this year. Germany's Siemens plans to add 825 jobs, Switzerland's ABB Group is adding 130 jobs. Lithium battery component maker Celgard is adding 289 workers. SPX, which makes energy-related equipment and other products, is expanding its Charlotte headquarters and adding 180 jobs over the next five years instead of moving to South Carolina.

Siemens took over a sprawling \$170 million power turbine service center outside of Charlotte in 1997 when it bought assets from the bankrupt Westinghouse Electric Co. Wooed by \$35 million worth of federal grants and local tax incentives, Siemens plans to boost its local ranks to 1,800 from 800 people over five years. Those jobs include positions shifted from Canada so Siemens can start making its most advanced power turbines on site.

"Orders are starting to pick up," said Mark Pringle, plant manager, giving a tour of the sprawling factory floors that are producing the massive pieces of energy equipment. The plant runs around the clock, and 80 percent of the equipment it builds is exported. He said that as heavy industry production from Siemens moves to Charlotte, smaller suppliers have set up shop nearby.

"It's the largest industrial investment we've had here in a generation," said Brad Richardson, economic development manager for the city of Charlotte. "It will ripple and spill over into the 16 adjacent counties."

The city's energy executives are building ties with the research triangle in Raleigh-Durham and other energy-related work going on in the Carolinas from Greenville, S.C., where General Electric makes energy turbines, to Wilmington, N.C., where GE makes nuclear power products.

The group is also working with community colleges and the University of North Carolina at Charlotte to expand training of energy engineers. Enrollment in the engineering college climbed 27 percent, to 3,049, from 2006 to 2010.

The university is building a \$57 million, 200,000-square-foot building to house the Energy Production and Infrastructure Center, which aims to pool academic and industry research in partnerships with companies such as France's Areva and U.S. firms such as the Shaw Group and Duke Energy.

"There's a lot more emphasis in the city on diversification," said Steve Patterson, director of the center at UNC Charlotte. That means both diversifying away from dependence on finance jobs and into more varied parts of the energy sector.

Many Charlotte residents fear the city grew too dependent on finance, which made up 27 percent of the region's GDP before the bust.

"We did a ton of [catering] business for Wachovia and Bank of America," said Ralph "Bubba" Miller, 59, a former banker who has owned Bubba's Barbecue in Charlotte since 1986. "They had to cut back severely because of the economy."

*Glader is a financial journalist based in Berlin.*

### **Duke Energy's CEO Jim Rogers is plugged in**

Washington Post, 9-10-11

By Steven Mufson

Jim Rogers is the model of a political executive. Small wonder. He has been a Kentucky Supreme Court law clerk, a reporter for the Lexington Herald-Leader, a top litigator at the Federal Energy Regulatory Commission, and partner at the Washington law firm of Akin, Gump, Strauss, Hauer & Feld. For 22 years, he has been a utility chief executive, currently at Charlotte-based Duke Energy. When Duke merges with Progress Energy, Rogers will become executive chairman, and Bill Johnson of Progress will become chief executive of the combined company.

In 2007, Rogers teamed up with environmental groups to campaign for a cap-and-trade system to limit greenhouse gas emissions that speed up climate change. Now the prospects for that look dim, so Rogers has turned to preparing for the Democratic National Convention to be held in Charlotte next year. Here are edited excerpts from a conversation with him.

**Q: Jim, tell us a bit about what you're doing for your corporate hometown of Charlotte.**

I've been in Charlotte more than five years now, and one of the first things I did was catalogue the companies there. I realized we had a unique combination of energy-related companies in the community. We hosted the first meeting to bring all these people together and try to identify whether we had something special and unique. What we discovered is we are 250 companies and now 27,000 employees. So we worked to create this concept of an energy hub. Most important, we've been able to create almost 5,000 jobs.

Michael Porter, the professor from Harvard Business School, has written about clusters. In Minneapolis, you have medical devices. Houston is one for oil and gas. The whole logic behind the cluster concept is that you put companies together and they compete and cooperate, and it makes each of them much stronger, and it feeds on itself. That's the kind of dynamic we've tried to create in Charlotte.

**Q: The energy business depends a lot of government policy. Where is federal energy policy going, and how will that affect businesses in Charlotte?**

The growth in energy companies is really driven by the demand for electricity, and that is driven by growth in the economy. Part of that is the development of new appliances. Electric vehicles or E-buses are another. But equally important is that the industry is driven by policy both at the state and federal level.

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**Q: Are you disappointed about the failure of Congress to adopt a cap-and-trade system for carbon emissions?**

To me, that is the only approach to address the carbon issue that allows us to successfully reduce emissions in a way that is fair and allows us to transition to a [less carbon-intensive] world. Unfortunately, the people who invented it have demonized it — the Republicans. When they created it, they called it the greatest use of market forces to solve the problems of the world.

I don't think anything is going to happen on energy policy for the next year and a half. The economy is in such deep trouble. Congress and the president are going to be focused on it, though there are limits to

what they can actually do to rebuild confidence . . . and create jobs. That's the reality of where we are

today.

I do think we have a challenge post-2012 as to whether any tax credits for renewables will continue. That's kind of an open question. We're in that business. We spent \$1.7 billion and have roughly 1,000 megawatts of wind. We're on the way to adding another 600 megawatts of wind, and this huge demand has been driven by the expectation that there might not be a tax-credit extension in 2013. So all of a sudden, we have this rush to build.

**Q: You've been a utility executive for two decades. What is the future of the industry?**

When we did our first merger, in 1993, there were 100 utilities. Today there are only 58. So 42 utilities have been eliminated. If you put that into context, you've seen significant consolidation in our industry. This is the third merger or combination that I've done. I'm responsible for some of this. But I think because it's happened over the past 18 years, you didn't recognize what was happening until you look back and say, "Oh my goodness."

When we close this merger with Progress, we'll be the largest utility in the United States by any way you want to measure it. You have to have the platform and largest balance sheet in the industry. That is so critical when you think about the challenges in front of us: modernizing our grid, investing in efficiency, and investing in renewables. In the most capital-intensive industry in the United States, having the strongest balance sheet is the key to succeeding with the challenges we have in front of us.

**Q: Because of its reliance on coal plants, Duke Energy is one of the nation's three biggest emitters of carbon dioxide. Yet you vowed in 2007 to cut the company's greenhouse gas emissions by 50 percent by 2030. How is that going?**

We have to remake our system. As we start to build nuclear at the end of this decade and the beginning of next, that is going to reduce our kilowatt-hour carbon intensity. The important thing is that when you know you're going to tear down the old and build the new, why not build one with as small a footprint as possible?

This is like the consolidation trend in our industry. No one sees it now. But I think the new appliance standards and new technologies are going to have a dampening impact, more than experts say, on the demand for electricity in the future. I think this is one of those things that, 10 years from now, we'll look back and say "Oh my goodness" and see that we have dramatically reduced the demand per capita.

**Q: What are you doing about this in Charlotte?**

We made a commitment to the Clinton global initiative to reduce all the emissions by buildings by 20 percent. It will be the first city in the country to reduce overall emissions by 20 percent through a combination of behavioral changes and technology.

We moved into a new building. We worked hard to make it a LEED platinum building. Moving into a building that's LEED platinum is walking the talk. While politicians are chattering, we're moving forward to reduce our footprint.

**Q: Will prices rise for consumers?**

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I think it's inevitable. The real price of electricity is going to rise over the next two or three decades to reflect the fact that the real price today is the same as it was 50 years ago.

By definition, if you're using 50-year-old coal plants, you're going to have to shut them down or retrofit them, and that's going to raise rates.

**Q: President Obama recently threw out new ozone rules proposed by the Environmental Protection Agency, saying they would hurt jobs. Environmental groups were angry. What do you feel?**

To be totally honest, I have mixed feelings. We have been moving to address this issue for more than a decade. Everyone has known we were moving in this direction. The Bush administration moved in this direction. This is a more aggressive move, but we kind of knew this was coming.

On the other hand, I can see how this can be viewed as hurting the economy. But you can make the argument that compliance could create jobs. I haven't seen the analysis that says one way or the other what the results would be. So I haven't reached a conclusion on whether this is a good call or a bad call.

**Q: You have to raise \$37 million or more for the Democratic National Convention next year. How's that going?**

I'm standing on street corners with a tin can and trying to collect some money. I don't know if I'm going to find 370 friends to give me \$100,000 each. It's a year out, and all I can say is we're making progress.

**Q: Charlotte's unemployment rate is north of 9 percent. Is this a showcase for Democrats?**

It's a city that's reinvented itself, that is on its way to the 21st century. You can go to downtown Charlotte and feel it.

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**CFO of the Year winner: Lynn Good, Duke Energy Corp.**  
Charlotte Business Journal, 8-19-11  
By John Downey

For more than a year, Duke Energy Corp.'s Lynn Good has been up to her elbows in the utility's plan to buy Progress Energy Inc.

She heads Duke's mergers and acquisition team. She led the financial due diligence on the deal. She worked with Duke Chief Executive Jim Rogers in dealing with both boards for six months as everyone involved wondered if the two sides could pull it off.

The deal was announced in January. Since then, she's been working on an integration plan. She's in the middle of the efforts to get regulatory approvals.

"You have to stay enthusiastic and engaged because we have this extraordinary opportunity to create a new company," she says.

Good has been chief financial officer for a little more than two years, a tumultuous time at Duke.

She succeeded David Hauser in July 2009, when the nation was trying to climb out of the worst recession in more than 70 years.

Within a month, Duke announced it was increasing a \$100 million cost-cutting target by \$50 million. At the end of that effort, the financial team had worked with the operating divisions to cut \$175 million from the 2009 operating budget.

The last 18 months have scarcely eased the press of business.

To keep operating and maintenance costs flat for a third consecutive year, Good led the effort to cut \$200 million more from operations in 2010.

She also led an overhaul of Duke's strategic planning and forecasting policies. That involved coming up with consistent metrics for judging the performance of Duke's various businesses.

She also led the financial team to create an enterprise risk-management system for Duke.

And since early 2010, Duke and its subsidiaries have raised \$1.9 billion in debt at attractive rates.

As she worked through those issues, she also served on the group that established the Bechtler Museum of Modern Art uptown and now serves on its board. And in 2010 she headed Duke's successful United Way campaign.

The pace quickened again halfway through last year, when talks began in earnest between Duke and Progress.

Then there was another wrinkle. Jim Turner, chief operating officer for Duke's franchised utilities, resigned in December following the release of emails that critics claimed showed overly cozy relationships with regulators in Indiana.

Turner's duties were divided among members of the executive team. In addition to her merger activities and other projects, Good had to take some of his responsibilities.

The duties she took on related to rates and planning were familiar. But she had a little steeper learning curve in taking over wholesale power, renewables and fuel-portfolio responsibilities.

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If the merger comes through, all Turner's responsibilities will be consolidated under John McArthur, Progress' general counsel.

With all the challenges ahead, Good admits the merger remains the most exciting.

"I look forward to really seeing what we can make of this new company," she says. "It's one of those events in your career where you have a chance to step back and look at what we are and what we have been, and really set an agenda for what the company can be."

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**Subject:** Special Telephonic Corporate Governance Committee Meeting

**Start:** 2/13/2012 9:00 AM

**End:** 2/13/2012 10:00 AM

**Show Time As:** Tentative

**Recurrence:** (none)

**Meeting Status:** Not yet responded

**Required Attendees:** Ann M. Gray; Michael Browning; Dan DiMicco; Rogers, Jim; Manly, Marc E; Maltz, David S; **Redacted - Personal Info**

**Optional Attendees:** Bonny Light; Kieca Pointdujour; **Redacted - Personal Info**; Currence, Kathy K; Sims, Bobbie A; Garrett, Debby

**When:** Monday, February 13, 2012 9:00 AM-10:00 AM (GMT-05:00) Eastern Time (US & Canada).

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

Special one-hour telephonic Corporate Governance Committee meeting to discuss responses to shareholder proposals and to review the results of Jim Rogers' performance evaluation and determine the performance scores for his individual objectives. Only the Committee members will participate in the second part of this meeting. An agenda and materials will be distributed prior to the meeting date.

Ann will initiate the call using David's moderator code below in order for the committee to continue the meeting in executive session.

Dial-In Information

**Redacted - Personal Info**

DUKE\_NCUC\_00001572

DUKE\_NCUC\_00001572-A

**From:** Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Sent:** Thursday, December 1, 2011 6:18 AM  
**To:** Ann Gray [Redacted - Personal Info] Barnett, W [Redacted - Personal Info] Bernhardt, Alex - [Redacted - Personal Info] Dan DiMicco [Redacted - Personal Info] Jim Hance [Redacted - Personal Info] John Forsgren [Redacted - Personal Info] Michael Browning [Redacted - Personal Info] Reinsch, Jim [Redacted - Personal Info] Sharp [Redacted - Personal Info] Rhodes, Jim - yahoo [Redacted - Personal Info] Rogers, Jim <Jim.Rogers@duke-energy.com>  
**Cc:** Bonny Light [Redacted - Personal Info] Elizabeth Gilliam [Redacted - Personal Info] Joyce Hiott [Redacted - Personal Info] Currence, Kathy K <Kathy.Currence@duke-energy.com>; Kieca Pointdujour [Redacted - Personal Info] Linda Canipe [Redacted - Personal Info] Marilyn Voigt [Redacted - Personal Info] Sandra Thrower [Redacted - Personal Info]  
**Bcc:** m; m; r; s  
**Subject:** November 2011 Board Letter  
**Attach:** November 2011 Board Letter.docx; Nuclear Energy - Duke Energy Case 2011.pdf; HBS Charlotte Competitiveness Case 2011.pdf

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Attached is my November 2011 board letter as well as the Harvard case studies referenced in the letter.

Please let me know if you have any questions.

Best,  
Jim

DUKE\_NCUC\_00001573

DUKE\_NCUC\_00001573-A

**PRIVILEGED AND CONFIDENTIAL**

To: Duke Energy Board of Directors

From: Jim Rogers

Subject: November 2011 Board Letter

Date: December 1, 2011

# **Notice of Appeal**

# Notice of Appeal

# **Notice of Appeal**

**Redacted – Sensitive Nuclear Operations**



## **Notice of Appeal**

**Redacted – Sensitive Nuclear Operations**

# **Notice of Appeal**

# Notice of Appeal

# Notice of Appeal

# Notice of Appeal



RICHARD H.K. VIETOR  
FOREST REINHARDT

## Duke Energy and the Nuclear Renaissance

During the spring and early summer of 2011, Jim Rogers, the chairman of Duke Energy, paid close attention to developing events at the Fukushima Daiichi nuclear station in Japan. He knew that “a problem at one nuclear unit can affect us all.” And while “it is impossible to predict what impact events in Japan will have on the burgeoning nuclear renaissance in the U.S. and worldwide,” Rogers believed that “nuclear power will remain an important part of our energy mix, because it is the only technology that allows us to generate electricity 24/7 with zero greenhouse gases.”<sup>1</sup>

Yet since Rogers made this remark, both Germany and Italy announced plans to exit nuclear power following the catastrophe in Japan.

After a burst of growth in the late 1970s and early 1980s, new construction of commercial nuclear power plants had petered out in the United States. Long delays in construction and licensing had driven per-plant costs into the billions; demand growth for electricity had slowed; and two accidents—at Three Mile Island in Pennsylvania in 1979 and at Chernobyl in Ukraine in 1986—had alarmed the American public and increased political opposition to nuclear power. The last commercial reactor constructed was Watts Bar, a project of the US government’s Tennessee Valley Authority, begun in 1973, mothballed in 1988, and finally completed in 1996.

But by 2001, the outlook for nuclear power had begun to brighten. The Bush administration announced that 1,300 to 1,900 new power plants would be needed in the next 20 years, and to avoid fuel-price volatility and carbon emissions, some of these would likely be nuclear.<sup>2</sup> The Nuclear Regulatory Commission adopted new, more streamlined licensing procedures; Congress enacted loan guarantees and other incentives; and by 2011, 18 utilities had applied for 27 combined construction and operating licenses (COLs). [See Exhibits 1a and 1b.]

Duke Energy, which upon completion of a recently announced merger with Progress Energy would become the largest utility in the United States, was among the first applicants. With seven nuclear units at three plants and dozens of old coal and gas-fired units that needed replacement, Duke applied in 2007 for a COL for two Westinghouse AP1000 units, each with a capacity of 1,117 megawatts (MW). Jim Rogers, an active proponent of aggressive steps to slow climate change, believed that new base-load capacity should be nuclear. Although the capital costs were huge, Rogers believed that the cost per kilowatt hour (kwh) would be competitive and that using a portfolio of diverse fuel sources made sense. The company planned to complete the plants by 2021-2022.

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Professors Richard H.K. Vietor and Forest Reinhardt prepared this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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Rogers wondered, however, whether he ought to reconsider these plans in the light of the Fukushima disaster.

## Electric Power in the U.S.

The first workable electric system – the Pearl Street Station in New York – was built by Thomas Edison in 1882. Most of the early electric utilities initially operated in urban areas, where they could serve more customers with less expense for transmission and retail distribution. By the 1920s, however, utilities had begun to interconnect with transmission lines, forming what we today call “the grid.” In the cities, power was generated by burning coal, oil, or natural gas in a boiler, creating steam which drove a turbine. The rapidly rotating turbine powered a generator (a magnet rotating inside stationary coils of copper), producing electric current. In many rural areas, water stored by hydroelectric dams was used to drive turbines. When electricity left the plant, its voltage was “stepped up” at a substation, and it traveled through a (relatively) thick transmission wire to the area where the power was needed. There the voltage was “stepped down” at another substation, and distributed to homes or businesses.<sup>3</sup>

Electricity generally could not be stored (except in batteries or pump-storage dam systems). Hence, supply needed to vary to match variations in demand. This necessitated a system of “base-load” plants, operating all the time; “intermediate-load” plants that ramped up to meet daily increases in demand; and “peakers,” such as small gas turbines, that kicked in to meet peak-load demand, season-to-season and day-to-day. In consequence, most utilities deployed different sorts and sizes of generating units, and bought power from each other to minimize costs.

By the beginning of the 20<sup>th</sup> century, electric utilities were deemed “natural monopolies,” where a single provider was optimally efficient. In the absence of competition, state regulation began in Wisconsin and New York in 1907, and soon spread to all other states. Exclusive franchises came with an “obligation to serve.”<sup>4</sup> As a wave of mergers consolidated small utilities into holding companies during the 1920’s, the scope of these interstate electric systems outpaced the ability of state commissions to regulate. In the wake of the stock market crash, revealing excessive leverage of these holding companies, Congress enacted The Federal Power Act, to regulate interstate sales of electricity, and The Public Utilities Holding Company Act (PUHCA), to address corporate structure, in 1935.

After 43 years of successful regulation, Congress began deregulating electric utilities with the Public Utility Regulatory Policies Act of 1978 (PURPA). This law required utilities to purchase electricity produced by small producers and co-generators. Deregulation went further with the Energy Policy Act of 1992, which allowed a new class of “exempt wholesale generators,” forced transmission-owning utilities to provide competitive access and, importantly, reformed and streamlined nuclear-plant licensing. In 2005, another law repealed PUHCA altogether and reformed PURPA to promote investments in fuel diversity and transmission.<sup>5</sup>

The industry structure produced by this policy-history was quite complex. As of 2010, four types of firms generated electricity in the U.S.: (1) shareholder-owned utilities (69% of generation), (2) cooperatively owned utilities (13%), (3) government-owned utilities (14%), and (4) energy service providers (4%). Government-owned utilities included those owned by the federal government (e.g., the Tennessee Valley Authority), states, municipalities, and various special political subdivisions.<sup>6</sup>

In 2009, the plurality of electricity was generated from coal (44.6%), followed by natural gas (23.3%) and nuclear (20.2%). Hydroelectric generation, other renewable generation and fuel oil

together accounted for the remaining 12%. Of course, the mix varied significantly depending on the region of the country (Exhibit 2).

Four billion megawatt hours were generated in 2009; capacity that year was just over one million megawatts. [See Exhibit 3.] The average electricity price per kilowatt hour was 9.83 cents, with mid-western states the lowest and northeastern states, California, Hawaii and Alaska among the highest (Exhibit 4.) The U.S. Energy Information Administration estimated that additions to new generation capacity would be 19.3 gigawatts in 2011 and fall to 5.6 gigawatts in 2014, with coal decreasing the most, natural gas growing the most, and nuclear gaining 1,270 mw (when another mothballed TVA plant is completed). [See Exhibit 5.]

Most, but not all, of the investor-owned utilities in the United States were regulated by the historical method of rate-base, rate-of-return regulation. Duke Energy, for example, operated in South Carolina, North Carolina, Kentucky and Indiana, all of which used this traditional regulatory form. In states with rate-of-return regulation, utilities informed the state regulatory commissioners of the capital and operating costs of their systems. In many states (but not all), the utility was allowed to include charges for plant investment (called construction work in progress - CWIP) for investments made in plants before they became operational, and for interest on capital expenditures (called allowance for funds used during construction - AFUDC). The regulatory commissioners (sometimes elected, sometimes appointed by the governors of their states) consulted with their professional staffs, then decided on the legitimacy of these costs and allowed the utility to set rates (i.e., prices) for electricity that would enable it to recover its fixed and variable costs (as well as depreciation) and earn a "reasonable" rate of return—usually in the range of 10-14 percent—on its equity investment. The Federal Energy Regulatory Commission (renamed in 1977 from the Federal Power Commission) conducted similar regulation for interstate gas and electricity sales and for interstate power transmission.

Besides these forms of economic regulation, virtually all utilities were regulated by the Environmental Protection Agency for their environmental impacts. The 1970, 1977, and 1990 Clean Air Acts authorized the EPA to control particulate emissions, sulfur dioxide, oxides of nitrogen, and mercury. Since 2009, the EPA also had the responsibility of regulating carbon dioxide emissions, although its large-utility standards had not yet been implemented.

## Nuclear Power in the United States

Commercial nuclear power grew from the U.S. government's attempts, first to control atomic technology, and second to develop the weapons technology into a cheap energy source. Congress enacted the Atomic Energy Act of 1946, giving the Atomic Energy Commission (AEC) a monopoly on nuclear technology. By December 1953, this initiative had metamorphosed into a Cold War competition. "This greatest of all destructive forces," claimed President Eisenhower, "can be developed into a great boon, for the benefit of all mankind." The Atomic Energy Act of 1954 ended the government's monopoly on nuclear technology and assigned the role of regulatory oversight for civilian use of nuclear materials to the AEC.<sup>7</sup>

The AEC's efforts to develop nuclear power proceeded slowly. Utilities had many concerns, although some were mitigated by the creation of a cap on private liabilities arising from nuclear accidents, with the public assuming risks above \$500 million, legislated in the Price-Anderson Act of 1957. Finally, in 1963, General Electric, and then Westinghouse - the two leading potential vendors of nuclear reactors - began offering "turnkey" contracts for 515 MW plants, at \$60 million. These turnkey contracts quickly expanded to 1,000 MW plants, for several hundred million dollars each.

The contract structure was supposed to shift the risk of delays and overruns from the utilities to the technology vendors. Rapid growth fueled demand for dozens of reactors during the late 1960s and 1970s.

At the same time, concerns over radiation leakage and safety began to grow. The Energy Reorganization Act of 1974 created the Nuclear Regulatory Commission (NRC) to carry out the regulatory oversight role of the AEC, while other AEC functions were assumed by the Energy Research and Development Administration, and later, the Department of Energy (DOE). Plants begun in 1966 with original cost estimates of \$400 million, were completed in seven to eight years for \$460 million. But with the growing regulatory burden, plants begun in 1970 took more than eleven years to finish; and costs rose from \$430 million to \$1.9 billion. Duke's Catawba plant, begun in 1972 with an original cost estimate of \$650 million (\$275/kW), was finally completed in the mid-1980s, for \$3.57 billion (\$1,560/kW).<sup>8</sup> Some other reactors fared even worse: LILCO's Shoreham ended up costing \$6 billion, and was decommissioned before generating any significant energy due to state and local opposition!

Political concern over the disposal of waste products from reactor operations intensified during the Carter Administration as anti-nuclear groups cited concerns over public radiation exposure as well as the potential risks of nuclear proliferation [e.g., the spread of nuclear weapons and associated technology]. The American government, unlike its counterparts in the UK, France, and Japan, chose not to pursue nuclear waste reprocessing (i.e., the partial conversion of reactor waste into fuel that could be used in other reactors). The government's decision was based on the concern that plutonium from reprocessing could be diverted for use in nuclear weapons, and an American decision to reprocess fuel would encourage other countries to do likewise. The Nuclear Waste Policy Act of 1982 assigned the federal government responsibility for disposing of used fuel from commercial nuclear power plants, and provided for fees from nuclear power-plant operators to cover the government's disposal costs. However, siting a repository for the "permanent" disposal of used fuel proved extremely difficult. Despite many billions of dollars paid by utilities into the Nuclear Waste Fund, as of 2011 the government had not yet removed used fuel assemblies from any reactor site.

Safety concerns intensified, and public support deteriorated markedly, after the accident at the Three Mile Island reactors, near Harrisburg, Pennsylvania, in 1979. While a core meltdown occurred, the containment system was never breached. Still, the accident led to a five-day evacuation of 144,000 people. Both mechanical failures and human error were found to have contributed to the meltdown.<sup>9</sup>

Seven years later, as high costs and slowing demand growth for electricity had already curtailed commercial nuclear development, a catastrophic accident occurred at Chernobyl, in the U.S.S.R. On April 26, 1986, Chernobyl's unit 4 experienced a violent explosion that blew the top of the reactor, "spewing massive amounts of radioactivity into the environment." Despite the differences in design from US reactors, and its lack of safety features, Chernobyl's impact on public opinion was stark: a poll in May of that year found 78% of Americans opposed to the construction of more nuclear plants.<sup>10</sup>

During the 1980s and 1990s, nuclear utilities did a great deal to improve operations, maintenance, safety, training and fuel transportation. In consequence, capacity factors increased sharply, rising from 70% in the 1980s to more than 90% by the 2000s.

The terrorist events of 9/11 created yet another shock to the environment for commercial nuclear plants. Security had to be increased everywhere. Visitors to facilities underwent rigorous security



pre-screening and careful review of credentials. Reactors were protected from vehicular attacks by trenches and other barriers.

Ironically, at the very moment that 9/11 added terrorism to the list of concerns about nuclear power, economic, environmental, regulatory, and technological developments seemed to be evoking a "nuclear renaissance." As mentioned earlier, electricity demand had increased more rapidly than new capacity installation during the 1990s. America's intensive reliance on fossil fuels looked increasingly unwise. Oil, which was imported from politically unreliable nations (although scarcely used for electricity), caused deepening foreign-policy and balance-of-payments problems. Coal, although plentiful domestically, created major environmental problems. And while technological controls could mitigate emissions of particulates, sulfur dioxide and nitrogen oxides, combustion alone created carbon dioxide – the prime greenhouse gas. Combustion of natural gas, while less damaging, emitted both CO<sub>2</sub> and NO<sub>2</sub>, and subjected power companies to extreme price volatility. By 2007, reports from the Intergovernmental Panel on Climate Change underscored the scientific consensus that anthropogenic carbon emissions were contributing to global climate change.

The historic opposition of many environmentalists to nuclear power was now complicated by the fact that nuclear plants provided the only base load power that didn't contribute to climate change. In 2000, a group of analysts published an article in *Science*, concluding that "nuclear power can play a significant role in mitigating climate change." In 2003, an MIT study on "The Future of Nuclear Power" drew the same conclusion. *National Geographic* ran a piece in 2006 entitled, "It's Scary. It's Expensive. It Could Save the Earth."<sup>11</sup>

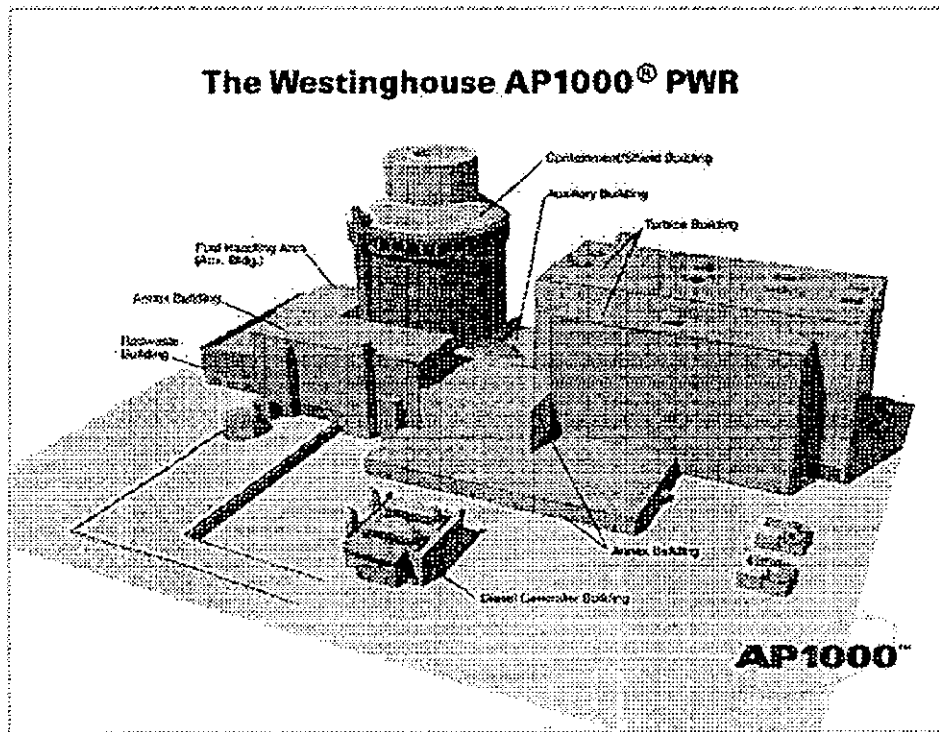
Regulatory improvements also contributed to this renaissance. In the 1990s, the NRC implemented a process of certifying reactor designs. The first design, GE's advanced boiling water reactor, gained NRC approval in 1997. In the ensuing decade, three others were approved, including the Combustion Engineering (now Westinghouse) System 80, the Westinghouse AP600, and the Westinghouse AP1000 design, in January 2006. Others designs are in various stages of design-certification review.

Then, after Congress enacted the Energy Policy Act of 2005, to encourage new energy resources and clean energy resources in particular, the Nuclear Regulatory Commission revised its licensing procedures, effective June 2007, to simplify the process. Under the new rules, utilities applied for a combined license for construction and operation (COL).<sup>12</sup> The NRC staff would review design safety, environmental impacts, operational programs, site safety, and verification of ITAAC (inspections, tests, analysis and acceptance criteria) of the proposed project, as well as the applicant's financial and technical qualifications.<sup>13</sup>

Finally, there was the new technology. Modern reactors were designed to be vastly safer than those designed in the 1970s. The AP1000 provided an example of this evolution. According to Westinghouse,

The AP1000™ pressurized water reactor works on the simple concept that, in the event of a design-basis accident (such as a coolant pipe break), the plant is designed to achieve and maintain safe shutdown condition without any operator action and without the need for ac power or pumps. Instead of relying on active components such as diesel generators and pumps, the AP1000 relies on the natural forces of gravity, natural circulation and compressed gases to keep the core and containment from overheating. However, many active components are included in the AP1000, but are designated as non-safety-related.

Multiple levels of defense for accident mitigation are provided, resulting in extremely low core-damage probabilities while minimizing occurrences of containment flooding, pressurization and heat-up.



Source: [http://www.ap1000.westinghousenuclear.com/ap1000\\_ec.html](http://www.ap1000.westinghousenuclear.com/ap1000_ec.html).

Westinghouse also touted the economic efficiency of this design:

The AP1000 was designed to reduce capital costs and to be economically competitive with contemporary fossil-fueled plants. The amount of safety-grade equipment required is greatly reduced by using the passive safety system design. Consequently, less Seismic Category 1 building volume is required to house the safety equipment (approximately 45 percent less than a typical reactor). Modular construction design further reduces cost and shortens the construction schedule. Using advanced computer modeling capabilities, Westinghouse is able to optimize, choreograph and simulate the construction plan. The result is very high confidence in the construction schedule.<sup>14</sup>

### Nuclear Power in its International Context

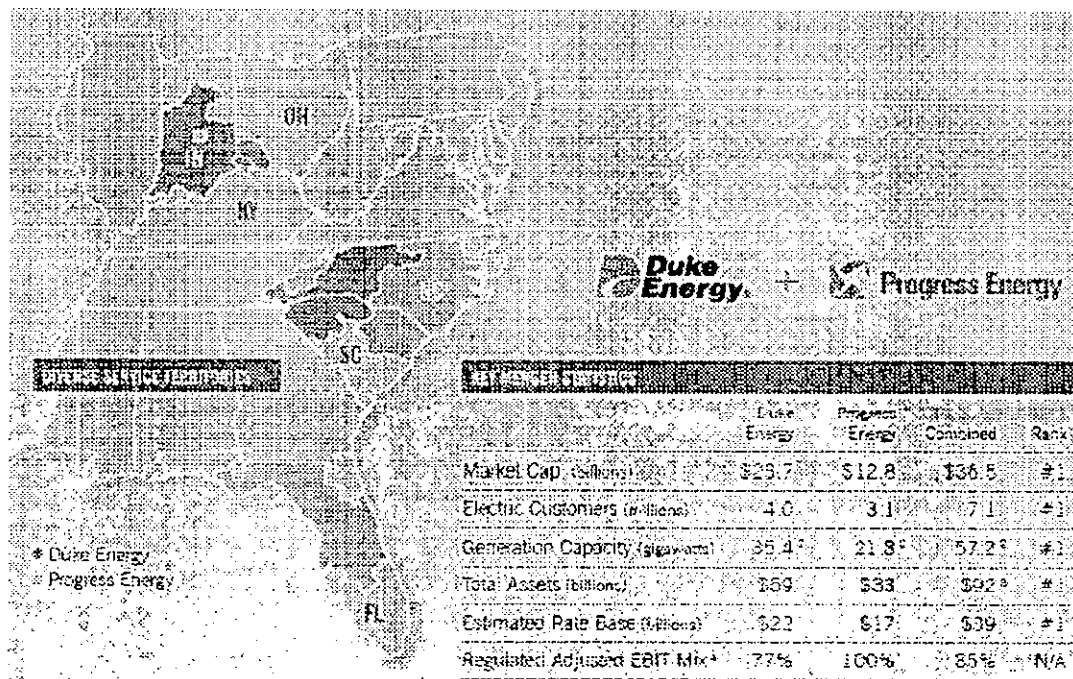
By 2010, a fleet of over 400 reactors located in thirty countries contributed more the 2,500 terawatt-hours to worldwide electricity supplies. The U.S., Japan, and France had the biggest national fleets, but Russia, China, and India were responsible for the most ambitious expansions. (See Exhibit 6.) The costs of nuclear power compared to coal and gas obviously depended on a wide variety of

factors, including fuel costs, costs of capital, and the costs of waste disposal, any of which could vary substantially across nations. **Exhibit 7** shows a compilation of comparative cost data from a recent report by AREVA, the state-owned French reactor manufacturer, uranium miner, and fuel reprocessor.

## Duke Energy

Duke Power was organized in 1904 to use hydroelectric power to electrify the Victoria Cotton Mills in Rock Hill, South Carolina. The economic boom after World War II induced a huge demand for electricity. Proliferating household appliances and air conditioners prompted rapid expansion of coal-fired capacity. By the early 60s, Duke Power management was looking towards nuclear power as a safe, clean and economical alternative for meeting demand growth in North and South Carolina.<sup>15</sup> After the incident at Three Mile Island in 1979, Duke's President, Bill Lee, led the creation of the Institute of Nuclear Power Operations (INPO) – a national organization of nuclear power companies to oversee nuclear safety through rigorous, independent inspections and grading.

As deregulation led to a more competitive environment, especially in natural gas, Duke Power acquired PanEnergy Corporation, a major player in natural gas and pipelines, and changed its name to Duke Energy. In 2006, Duke Energy acquired Cinergy, the merger of Cincinnati Gas & Electric and Public Service of Indiana, with energy assets in Ohio, Kentucky and Indiana. In January 2011, Duke Energy announced plans to merge with Progress Energy to form the nation's largest utility. Progress Energy is a utility with operations in North Carolina, South Carolina and Florida. At the close of the merger, Duke Energy will have a diverse collection of regulated service territories as depicted below:



Source: Duke Energy, 2010 Annual Report.

## Duke Nuclear

"At Duke," wrote Jim Rogers, "we have nearly 40 years of experience, safety and efficiency operating nuclear power plants. In fact, in 2010, we set a new company record for capacity factor - approximately 95.9 percent - which translates into lower costs and cleaner power for our customers."<sup>16</sup> For these reasons, Jim Rogers preferred nuclear power for base load electricity generation.

Duke Power was a pioneer in the development of nuclear power. Between 1966 and 1973, the company announced plans for 13 nuclear units, totaling more than 14,000 MW of capacity, to be built at the Oconee, McGuire, Catawba, Cherokee and Perkins sites. Construction of this nuclear fleet began in 1967, and was completed in 1986. During this period, Duke's kWh sales grew at 4.6% annually, and peak load grew at 5.4% per year.

One differentiating factor for Duke Power in the deployment of commercial nuclear power was that it designed and built its own plants with in-house resources. Duke Power eventually built seven reactors, coming on line between 1973 and 1986 - three Oconee units of 874 MW each, two McGuire units, and two Catawba units, all of 1,180 MW each. Plans for three Cherokee units and three Perkins units, each 1,280 MW, were eventually cancelled. As previously mentioned, the actual costs exceeded the original estimates by percentages that grew over time. The Oconee units increased from \$400 million to \$460 million. The McGuire units rose from \$430 million to \$1.9 billion; the Catawba units, from \$650 million to \$3.57 billion.<sup>17</sup> Economic conditions in the 1970s and 1980s made nuclear construction more difficult and expensive. Inflation and interest rates reached record heights (14% and 16%) in 1979-1980, driving up construction costs and AFUDC (allowance for funds used during construction). Non-cash earnings, in the form of AFUDC, increased from 10% to 85% of the company's earnings. Tightening credit markets limited Duke Power's access to funding, pushing interest rates even higher and driving Duke Power's stock price below book value. And of course, additional regulatory scrutiny and public opposition after Three Mile Island resulted in new NRC requirements, and thus higher costs still. Duke applied for, and generally received from regulators, electricity rate increases to cover these expenses, but pressure on the balance sheet was intense, and the company also had to delay or cancel nuclear construction projects, sell and then lease back some corporate assets, lay off 1,500 workers, issue new debt, and eventually sell off 87.5% of the Catawba Nuclear Station. Duke eventually recovered \$700 million in capital costs, but without interest, for the cancelled Cherokee and Perkins plants. Its total capitalization increased by 7.5 times during this period. Its credit rating fell during the 70s, before partially recovering by 1984.<sup>18</sup>

In hindsight, Rogers thought, this was not a totally negative experience. Duke had built 7,200 MW of nuclear capacity at a cost substantially below other nuclear utilities. It survived major financial stresses. Its asset base, and the market value of its common equity, grew significantly. And perhaps most significantly, Duke Energy Carolinas' nuclear plants in 2010 were currently among the least costly sources of electricity in the United States; that investment has allowed Duke Energy Carolinas to have a significantly lower carbon intensity and emissions profile than if it were just operating coal plants.

## Jim Rogers and Duke

When Duke Energy completed its merger with Cinergy in 2006, it acquired Jim Rogers, a 64-year-old executive educated in business and law, as its new chairman and CEO. During the next five years, "building a bridge to a low-carbon future" became an important part of Duke Energy's strategy. Rogers had been a CEO in the electric utility industry since 1988, when he took the helm of

Public Service Indiana, a nearly bankrupt investor-owned utility that had just taken a \$2.7 billion writedown of a half-constructed nuclear plant. Before taking this job, Rogers had spent time as a journalist, a consumer advocate, a federal energy regulator, a partner in a law firm, and an executive at Enron Gas Pipeline Group. Under Rogers's leadership, Public Service Indiana merged with two nearby utilities to create Cinergy in 1994. Subsequently, Rogers served a term as chairman of the Edison Electric Institute, the American utilities' most prominent trade association, and also served on the boards of the Nuclear Energy Institute and the World Association of Nuclear Operators.

Rogers distinguished himself among utility executives for his view on climate change. Since coming to Duke, he spoke about the risks of climate change and the need for low-carbon public policies. He backed his words by serving as vice-chairman of the Executive Committee of the World Business Council for Sustainable Development. In 2008, Duke published a *Report to Shareholders on Climate Change*, in which the company expressed its support of climate legislation: "Duke Energy remains committed to working with Congress and the next Administration on climate legislation that begins to first slow, stop and then reverse the growth of carbon emissions into the atmosphere."<sup>19</sup> And under Rogers's leadership, Duke Energy was among only a few utilities to support the Waxman-Markey bill in 2009 to create a cap-and-trade system for carbon emissions.

Perhaps more importantly, Rogers believed that public policy would soon constrain carbon emissions. In that sort of environment, he needed to prepare the company for a low-carbon future. Yet in 2010, Duke Energy produced 58% of its electricity from coal. Duke Energy's generation capacity in the Carolinas was spread over 44 locations, deploying 185 generating units using five separate fuels (coal, natural gas, nuclear, hydro and a small amount of solar). [See Exhibit 8.] With these units, plus its generation in Ohio, Kentucky and Indiana, Duke Energy generated 148.6 gigawatt hours, producing \$10.7 billion in regulated electric revenues, out of a total of \$14.3 billion. After expenses, this yielded \$2.46 billion in operating income, for a net income of \$1.32 billion – a return to shareholders of 9.5%. [See Exhibits 9, 10, and 11.]

Since 2006, the company had reduced its sulfur dioxide emissions from 817,700 tons to 221,200 tons – an emission intensity improvement from 11 pounds per MWh to 3 pounds per MWh. Emissions of oxides of nitrogen oxides had also dropped, from 149,200 tons to 71,800 tons. Duke Energy's emissions of pollutants in the toxic release inventory had dropped from 90 million pounds to 36.8 million pounds. Even its carbon dioxide emissions had dropped marginally in 2009, although they rose again in 2010 to about 100 million tons.<sup>20</sup>

Although Jim Rogers was satisfied with this performance, he worried about the age and carbon intensity of Duke's generation plant. His responsibility was to ensure that Duke Energy had "a reliable, diverse, environmentally sound, and reasonably priced portfolio of resources over time."<sup>21</sup> But with the difficulties of forecasting demand growth, dozens of aging plants in need of replacement, with an array of new environmental regulations pending, and with natural gas prices fluctuating wildly, this was easier said than done.

## Capacity Planning

In the early years of the new century, Duke Energy already spent more than \$5 billion retrofitting old plants to meet new environmental compliance standards. As of 2011, it planned to spend another \$6.8 billion to build 2,400 MW of capacity that will replace older and far less efficient plants. Two of Duke Energy's largest construction projects accounted for \$5.4 billion. Cliffside, a super-efficient coal-fired, 825 MW plant, would soon be finished in North Carolina, at a cost of \$2.4 billion. The new Cliffside plant would require less than 9,000 Btu of heat input for each kilowatt-hour of electricity,

even better than Duke's most efficient existing coal-fired plants, and substantially better than the roughly 10,000 Btu that most coal-fired plants required. In Indiana, the company was planning to complete its Edwardsport Integrated Gasification Combined Cycle (IGCC) facility, by 2012. This 618 MW plant would use advanced technology to gasify coal, removing effluents and significantly lowering carbon emissions. The cost, however, had escalated to nearly \$3 billion, and it was not completed yet. Two other smaller projects to be completed in 2012, using combined-cycle gas turbines and costing \$1.4 billion, would add another 1,240 MW in North Carolina.<sup>22</sup>

These investments in capacity would maintain Duke Energy Carolinas reserve margin at about 17% and the Duke Energy Indiana reserve margin at about 14% through 2014. In the Carolinas 890 MW of non-scrubbed coal had to be retired by 2015, Duke Energy Carolinas' reserve margin could subsequently fall below the 17% target. Even with vigorous programs for energy efficiency and demand-side management, Duke Energy Carolinas' projected annual demand growth in the coming years of 1.7% and its projected annual energy growth of 1.8%. To keep its reserve margins at 17%, Duke Energy Carolinas forecast capacity needs of additional 1,700 MW by 2020, and another 3,750 MW by 2030 in addition to the projects already under construction. [See Exhibit 12] "On the Duke Energy system," wrote Rogers, "we will need to replace most of the power plants operating today by 2050. By modernizing and diversifying the generating fleet now, we will produce energy more efficiently, retire older, less-efficient plants, and reduce our carbon footprint - for good."<sup>23</sup>

But of course, this left the question of what kind of generating plants should Duke Energy choose. Cost, carbon, and timing were the central issues. The price of natural gas had fallen steeply in the United States over the previous several years as producers rushed to deploy new technology to extract gas from shale formations. The hydraulic fracturing ("fracking") technology involved the injection of water and other liquids under great pressure into sedimentary formations, allowing the release of gas. While concerns about the environmental effects of the technology persisted, the new supply it enabled had knocked the benchmark American natural gas price from over \$10 to about \$4 per million British thermal units.

Duke Energy also needed to consider the effects of governmental initiatives to create a price for carbon dioxide emissions. As it considered its integrated resource plan, the company modeled supply options under three possible carbon scenarios. The Carbon Reference case had CO<sub>2</sub> emission prices ranging from \$10/ton starting in 2015 to \$54/ton in 2030, based on the Waxman-Markey legislation. It also performed sensitivities for prices based on the Kerry/Lieberman bill (which died in the winter of 2010) and a 2009 "fundamental CO<sub>2</sub> price," used in the earlier Dingell/Boucher bill.<sup>24</sup> (Electricity production from natural gas created about half a ton of carbon dioxide per MWh; the comparable figure for coal-fired electricity exceeded 0.9 tons.)

In total, Duke Energy planned to increase generation capacity by about 7,000 MW over the next 20 years in the Carolinas alone. In the Carolinas its annual energy output was projected to increase from 91 GWh to about 131 GWh (Exhibit 13.) Unlike some other parts of the country, the potential for wind in the Duke Energy Carolinas service territory is low. The relatively high cost of solar energy inhibited large-scale deployment. Whereas energy efficiency, demand-side management, renewable resources and purchases could potentially provide about 10% of this power, nuclear and coal-fired generation would provide most of the base. Thus, while Duke Energy Carolinas was planning to "uprate" its nuclear plants (i.e., to increase their capacity through incremental process improvements) by 195 MW, it projected that it would need, in the Carolinas, at least three new combustion turbines, two more gas combined cycle plants, and two new nuclear units with capacity of 1,117 MW each (Exhibit 14).

Off the shelf estimates of the relative costs of various generating technologies were readily available, although they varied widely across sources. One document widely cited within Duke Energy gave “levelized costs of energy” over each plant’s lifetime, considering both capital costs (discounted at 7.3% over the life of the plant), fuel costs, and other operating costs: levelized costs were projected to be \$75-\$85 per MWh for a new nuclear plant in the Carolinas (reflecting the impact of state and local incentives), \$75-\$105 for combined cycle natural gas, \$85-\$100 for supercritical coal of the sort being built at Cliffside, \$120 for integrated gasification combined cycle as at Edwardsport, and \$160 for traditional natural gas combustion turbines.<sup>25</sup>

Duke Energy analysts worked with these and other raw numbers to get a sense of the least-cost portfolio of generating assets for the Carolinas. Instead of just using levelized costs based on standard default values for capacity utilization, these more sophisticated analyses simulated the optimal dispatch patterns over the entire lives of various portfolios. Duke Energy executives thus felt they offered a better sense of the real costs of the various options.

In particular, Duke Energy compared the present value revenue requirements (PVRR) of two generation portfolios: one that included nuclear, combustion turbine (CT) natural gas, and combined cycle (CC) natural gas, and another that included only the CT and CC. The PVRR was essentially the discounted sum of the full costs of generation over a 50-year time frame. It represented the amount, assuming the expected values of capital costs, fuel costs, and other operating costs, that the company would need to get from its ratepayers in order to pay its debt service and provide a reasonable return to shareholders. In estimating fuel costs, Duke Energy executives used a sophisticated forecasting model that reflected expected macroeconomic developments, likely capacity expansions in the supplying industries, possible new environmental regulations, and so on. They projected that coal prices would start at about \$4 per million Btu and rise at an average annual rate of 2-3%, while gas prices per million Btu would start at levels 15-20% higher and escalate at 5-7% annually. Putting all this together, the executives developed results like those in Exhibit 15: the portfolio of two nuclear units plus gas, compared to gas alone, was projected to result in a lower cost to customers in every case that the company analyzed, with the exception of increased nuclear capital cost and lower natural gas fuel costs.

Some Duke Energy managers felt that, if regulatory or demand considerations delayed the start date for nuclear projects by more than a few years, small modular reactors (SMRs) might prove a desirable alternative to the larger reactors. SMRs were reactors of under 200 MW that could be built underground. A baseload strategy involving SMRs would sacrifice the economies of scale of larger reactors but potentially would offer more flexibility over time.

## William States Lee Nuclear Power Station

On December 13, 2007, Duke Energy applied to the NRC for a COL to build and operate two new nuclear reactors. The plant would be located in Cherokee County, on the Broad River 1000 feet upstream from the company’s Ninety-Nine Islands Hydroelectric Plant, in north-central South Carolina. The application utilized Westinghouse Electric’s AP1000 reactor design, to be constructed by Shaw Nuclear. The initial plan was to complete the units in 2018 and 2019. Subsequently, the company extended these completion dates to 2021-2022. The NRC indicated that approval of the COL would likely be in late 2012 or early 2013.

Building nuclear reactors required not just detailed engineering planning and NRC licensing, but many years of land acquisition and preparation, long-term procurement, preparation of numerous environmental permits and detailed regulatory submissions. The Cherokee County site, about 4,000

acres, needed demolition of existing site structures, acquisition of railroad rights-of-way, and notification to adjacent property owners of needed transmission corridors.

On the state regulatory front, Duke Energy Carolinas prepared applications seeking confirmation that regulators viewed as "prudent" its decision to incur project development costs of up to \$230 million through 2009 for the Lee Nuclear Station. Both the South Carolina PSC and the North Carolina Utilities Commission approved these applications in June 2008. Duke was vigorously exploring a variety of ways to reduce its costs. It was attempting to negotiate the payment of a fee in lieu of taxes in Cherokee County (to reduce the tax assessment ratio from 10.5% to 4%), a job development credit and a job tax credit from the South Carolina Department of Commerce, production tax credits from the federal government (1.8 cents per kilowatt-hour for eight years), and a federal energy loan guarantee under the Energy Policy Act of 2005.<sup>26</sup> Duke was not on the original short list of four companies for these federal loan guarantees, but two of the firms whose projects did make the list subsequently cancelled their planned nuclear construction projects. By early 2011, the DOE had approved one conditional loan guarantee, for the Southern Company's Vogtle units in Georgia.

In mid-2008, Dhiaa Jamil, Chief Generation Officer and Chief Nuclear Officer for Duke Energy, presented initial cost estimates for the Lee Nuclear Project. The project was expected to cost approximately \$11 billion (in 2008 dollars), excluding potentially \$3-4 billion dollars of financing costs (AFUDC).

Duke Energy Carolinas was considering several financing options. One option it pursued in its loan-guarantee application involved creating a special purpose entity to facilitate project-based financing. This could allow funding up to 80% of the costs with federally-guaranteed debt, while removing considerable risk from Duke Energy Carolinas and its ratepayers. Another option was securitization; regulators would establish a customer charge to pay back securitized debt for funding construction.<sup>27</sup>

In 2010, Duke Energy Carolinas asked both South Carolina and North Carolina regulators to approve as reasonable and prudent its decision to incur additional project development costs of \$229 million, through the end of 2013, for a total of \$459 million (including AFUDC).<sup>28</sup> In the application, Duke itemized the work completed to date and remaining to be completed through the receipt of the COL for the Lee Nuclear Station as follows: (1) preparation of the COL application to the NRC, (2) NRC review and hearing fees, (3) land and right-of-way purchases, (4) pre-construction and site preparation (including engineering to bring water, sewer, transmission and railroads to and from the site, traffic improvements around the site, security and miscellaneous site maintenance), and (5) supply chain, construction planning and detailed engineering.

As part of this request, Jim Rogers reiterated his view that "new nuclear facilities offer significant benefits from a system planning perspective, as they operate at base load capacity factors and provide carbon emission-free energy for over half a century." He noted that while natural gas would play a role in Duke's resource mix, "questions remain regarding access to the new domestic reserves of shale natural gas."<sup>29</sup>

Duke Energy Carolinas received the South Carolina project development order in July 2011 and the North Carolina project development order in August. In these orders, the respective state utility commissions approved the company's decision to continue to incur costs to develop the Lee Nuclear Station, subject to certain conditions and limitations. Each commission approved the company's decision to continue to incur additional development costs, specifically those costs necessary to



continue to pursue its COL from the NRC, subject to not-to-exceed limits of their respective states' allocable portion of \$120 million, including AFUDC.

So far, so good, thought Jim Rogers.

### Rogers's Nuclear Decision

Still, Rogers had a lot of balls in the air. He was waiting for the Nuclear Regulatory Commission to approve Westinghouse's amended license for the AP1000. He was waiting to see what would happen with Duke's application for a federal loan guarantee. And he was waiting for the NRC's approval of Duke Energy's own construction and operating license.

The Fukushima catastrophe in Japan had created a very uncertain situation. Public opinion regarding nuclear power was again set back, significantly so in Germany and Italy, although China and India were moving full-steam ahead. Because of economic conditions in early 2011, as well as Fukushima, several utilities in the U.S. had announced the cancelation of their nuclear-development plans, and it remained to be seen how American opinions were affected. Several national and international agencies were studying the weaknesses of Fukushima that had contributed to the meltdown, and would presumably be offering recommendations for improved nuclear safety and tougher regulation.

The scientific community's apprehensions about climate change, induced by anthropogenic carbon emissions, were intensifying. At the same time, public opinion in the U.S. on the issue of climate change had become ever more polarized, and regulatory controls legislated by Congress did not seem imminent. Shale gas was booming, although Congress and the EPA were investigating the environmental issues associated with its production. Developments in energy efficiency, moreover, also led to increased uncertainties in future demand growth.

Jim Rogers had basically three options: (1) he could drop the plans for Lee Nuclear and refocus on natural gas, with the possibility of investment later in SMRs; (2) focus primarily on the licensing activities, while delaying investments in site preparation and land development, which could affect when the plants came on line; or (3) continue the project's current plans and wait for regulatory proceedings in 2013. Rogers thought only the second two were truly viable. "The question is when," he commented, "not whether."<sup>30</sup>

[illegible]

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**Exhibit 1b** US nuclear plant applications pending at the NRC as of March 21, 2011

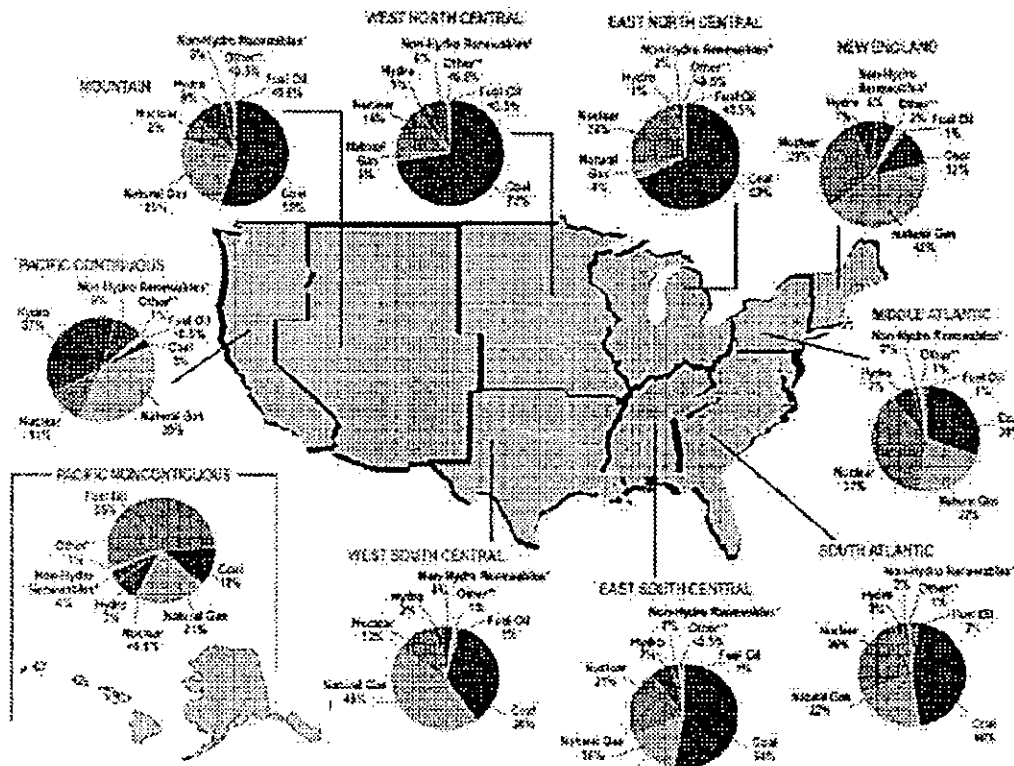
Company	Reactor type	Supplier	Date application was accepted			Name of project	# units	State	Existing operating plant	Finalist for DOE subsidized loans	Review suspended by applicant as of March 2011*
NRG Energy	ABWR	GE Hitachi	Nov	29	2007	South Texas Project	2	Texas	yes	YES	
NuStart Energy	AP1000	Westinghouse/Toshiba	Jan	18	2008	Bellefonte	2	Alabama	no		YES
UNISTAR	EPR	AREVA	Jan	25	2008	Calvert Cliffs	1	Maryland	yes	YES	
Dominion	ESBWR	Mitsubishi	Jan	28	2008	North Anna	1	Virginia	yes		
Duke	AP1000	Westinghouse/Toshiba	Feb	25	2008	William Lee Nuclear Station	2	South Carolina	no		
Progress Energy	AP1000	Westinghouse/Toshiba	April	17	2008	Harris	2	North Carolina	yes		
NuStart Energy	ESBWR	GE Hitachi	April	17	2008	Grand Gulf	1	Mississippi	yes		YES
Southern South Carolina E&G	AP1000	Westinghouse/Toshiba	May	30	2008	Vogtle	2	Georgia	yes	YES	
Progress Energy	AP1000	Westinghouse/Toshiba	July	31	2008	Summer	2	South Carolina	yes	YES	
Detroit Edison	ESBWR	GE Hitachi	Oct	6	2008	Levy County	2	Florida	no		
Luminant Power	USAPWR	Mitsubishi	Nov	25	2008	Fermi	1	Michigan	yes		
Entergy	ESBWR	GE Hitachi	Dec	2	2008	Comanche Peak	2	Texas	yes		
AmerenUE	ESBWR	GE Hitachi	Dec	4	2008	River Bend	1	Louisiana	yes		YES
UNISTAR	EPR	AREVA	Dec	12	2008	Callaway	1	Missouri	yes		YES
PPL Generation	EPR	AREVA	Dec	11	2008	Nine Mile Point	1	new York	yes		YES
Florida Power and Light	EPR	AREVA	Dec	19	2008	Bell Bend	1	Pennsylvania	yes		
	AP1000	Westinghouse/Toshiba	Sept	4	2008	Turkey Point	2	Florida	yes		

Source: Compiled from Nuclear Regulatory Commission <http://www.nrc.gov/reactors/new-reactors/col/new-reactor-map.html>, accessed July 25, 2011 and Duke Energy.

DUKE\_NCUC\_00001595

DUKE\_NCUC\_00001595-A

Exhibit 2 Fuel Mix by Region for Electricity Generation, 2010



Source: Edison Electric Institute, [http://www.eei.org/whoware/AboutIndustry/Documents/Electricity1\\_01.pdf](http://www.eei.org/whoware/AboutIndustry/Documents/Electricity1_01.pdf), page 34, accessed July 25, 2011.

Exhibit 3 US electricity supplies, 1998-2009, in millions of megawatt hours

	Electric utilities	Independent Power producers	Other Domestic supplies	Imports	Total supply
1998	3,212	91	317	40	3,660
1999	3,174	201	320	43	3,738
2000	3,015	458	329	49	3,851
2001	2,630	781	325	39	3,775
2002	2,549	955	354	37	3,895
2003	2,462	1,063	359	30	3,914
2004	2,505	1,119	347	34	4,005
2005	2,475	1,247	333	44	4,099
2006	2,484	1,259	321	43	4,107
2007	2,504	1,324	329	51	4,208
2008	2,475	1,332	312	57	4,176
2009	2,373	1,278	299	52	4,002
CGR	-2.7%	27.2%	-0.5%	2.4%	0.8%

Source: US EIA, *Electric Power Annual 2009* (published November 2010).

Exhibit 4 Electricity generation by region, 2009

	Population	Generating Capacity (1,000 MWh)	Net Generation (MM MWh)	Total Retail Sales (MM MWh)	Average retail price per kWh in cents	Total retail sales in \$MM	Generation per person	Capacity utilization
North Carolina	9,380,884	27.6	118.4	127.7	8.48	10,825	12,621	49%
South Carolina	4,561,242	24.0	100.1	76.4	8.42	6,434	21,946	48%
South Atlantic	59,195,930	204.1	754.7	784.4	9.87	77,438	12,749	42%
New England	14,429,720	33.1	121.7	119.2	15.65	18,646	8,434	42%
Middle Atlantic	40,853,959	103.8	414.5	359.6	12.94	46,536	10,146	46%
East North Central	46,500,668	153.4	607.9	546.7	8.89	48,601	13,073	45%
East South Central	18,271,071	88.3	362.3	312.4	8.13	25,406	19,829	47%
West North Central	20,336,243	79.7	315.9	277.7	7.58	21,039	15,534	45%
West South Central	35,850,878	165.1	620.8	521.7	8.94	46,653	17,316	43%
Mountain	22,122,914	83.3	369.3	261.6	8.41	22,005	16,693	51%
Pacific Contiguous	47,451,516	110.0	366.0	397.3	11.04	43,878	7,713	38%
Pacific Noncontiguous	1,993,651	4.6	17.7	16.4	18.87	3,094	8,878	44%
US Total	307,006,550	1,025.4	3,950.8	3,596.9	9.82	353,296	12,869	44%

See exhibit 2 for composition of regions.

Source: Statistical Abstract of the United States; US EIA, Electric Power Annual 2009 (published November 2010).

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**Exhibit 5** Planned Capacity Additions by Electric Generators, 2012-2014

	New facilities	2012 capacity in MW	MW/ facilities	# facilities	2013 capacity in MW	MW/ facilities	# facilities	2014 capacity in MW	MW/ facilities
Coal	11	6,169	561	1	290	290	4	1,020	255
Natural gas	56	9,713	173	29	5,417	187	19	2,501	132
Other gases	2	41	21	-	-	-	3	840	280
Nuclear	1	1,270	1,270	-	-	-	-	-	-
Hydro	3	125	42	8	270	34	3	34	11
Wind	6	1,138	190	4	415	104	1	300	300
Solar	21	857	41	7	1,123	160	4	888	222
Biomass	14	450	32	5	419	84	-	-	-
All other	3	51	17	5	184	37	-	-	-
<b>Total</b>	<b>117</b>	<b>19,814</b>	<b>169</b>	<b>59</b>	<b>8,118</b>	<b>138</b>	<b>34</b>	<b>5,582</b>	<b>164</b>

Source: US EIA, *Electric Power Annual 2009* (published November 2010).

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Exhibit 6 World reactor fleet, 2010

	Reactors in operation		Reactors under construction		Nuclear energy generation		All electricity
	Number	MW	Number	MW	Terawatt-hrs	% of all electricity	TW-hrs
Argentina	2	935	1	692	6.9	6.2%	111
Armenia	1	376	-	-	2.3	39.4%	6
Belgium	7	5,863	-	-	43.4	53.8%	81
Brazil	2	1,766	-	-	13.2	3.1%	426
Bulgaria	2	1,906	2	1,906	14.7	32.9%	45
Canada	18	12,577	-	-	88.3	14.8%	597
China	11	8,438	20	19,920	65.3	2.2%	2968
Czech Republic	6	3,678	-	-	25	32.5%	77
Finland	4	2,696	1	1,650	22.1	29.7%	74
France	59	63,260	2	3,300	419.8	76.2%	551
Germany	17	20,470	-	-	140.9	28.8%	489
Hungary	4	1,859	-	-	13.9	37.2%	37
India	18	3,984	5	2,708	13.2	2.0%	660
Iran	-	-	1	915	0.0%	0.0%	na
Japan	54	46,823	1	1,325	241.3	24.9%	969
Lithuania	1	1,185	-	-	10.3	6.6%	156
Mexico	2	1,300	-	-	9.4	4.0%	235
Netherlands	1	482	-	-	3.9	3.8%	103
Pakistan	2	425	1	300	1.7	1.9%	89
Romania	2	1,300	-	-	10.3	17.5%	59
Russia	31	21,743	9	6,894	152.1	16.9%	900
South Africa	2	1,800	-	-	12.8	5.3%	242
Slovakia	4	1,711	2	810	15.5	56.4%	27
Slovenia	1	666	-	-	6.0	41.7%	14
South Korea	20	17,647	6	6,520	144.3	35.6%	405
Spain	8	7,450	-	-	56.5	18.3%	309
Sweden	10	8,958	-	-	61.3	42.0%	146
Switzerland	5	3,238	-	-	26.3	39.2%	67
Taiwan	6	4,949	2	2,600	39.3	17.5%	225
Ukraine	15	13,107	2	1,900	84.5	47.4%	178
United Kingdom	19	10,097	-	-	48.2	13.5%	357
United States	104	100,683	1	1,165	806.7	19.7%	4095

Source: Created by HRS Professor Noel Maurer using data from the International Atomic Energy Agency.

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**Exhibit 7** Comparative Generating Costs, as estimated by Areva

<b>Areva estimates of cost of electric generation (in 2003 dollars/MWh, excluding CO2 costs)</b>			
<b>Canada</b>	<b>Nuclear</b>	<b>Coal</b>	<b>Gas</b>
Cost of capital	14	11	5
Operation and maintenance	9	7	3
Fuel	4	13	32
	26	31	40
<b>United States</b>	<b>Nuclear</b>	<b>Coal</b>	<b>Gas</b>
Cost of capital	17	10	5
Operation and maintenance	9	7	4
Fuel	5	11	31
	30	27	39
<b>Finland</b>	<b>Nuclear</b>	<b>Coal</b>	<b>Gas</b>
Cost of capital	16	10	
Operation and maintenance	6	7	
Fuel	5	19	
	28	36	
<b>France</b>	<b>Nuclear</b>	<b>Coal</b>	<b>Gas</b>
Cost of capital	14	11	6
Operation and maintenance	6	7	5
Fuel	5	14	28
	25	32	39
<b>Germany</b>	<b>Nuclear</b>	<b>Coal</b>	<b>Gas</b>
Cost of capital	15	11	4
Operation and maintenance	9	7	5
Fuel	5	12	40
	29	30	49
<b>Japan</b>	<b>Nuclear</b>	<b>Coal</b>	<b>Gas</b>
Cost of capital	22	21	15
Operation and maintenance	15	9	5
Fuel	12	20	33
	48	50	52
<b>South Korea</b>	<b>Nuclear</b>	<b>Coal</b>	<b>Gas</b>
Cost of capital	9	7	4
Operation and maintenance	8	4	4
Fuel	4	10	38
	21		47

Note: discount rate = 5%

Source: AREVA Reference document, Paris, 2007, page 49.

Exhibit 8 Duke Energy Carolina's Generation Plants (capacity, location, fuel) in 2010

Name	No. of Units	Summer Capacity (MW)	Winter Capacity (MW)	Location	Type of Fuel
<b>North Carolina</b>					
Allen Steam	5	1,127	1,161	Belmont, NC	coal
Belews Creek	2	2,220	2,270	Belews Creek, NC	coal
Buck Stream Cliffs	5	369	377	Salisbury, NC	coal
Stream	5	760	770	Cliffs, NC	coal
Dan River Marshall	3	276	283	Eden, NC	coal
Stream	4	2,078	2,078	Terrell, NC	coal
Riverbend	4	451	464	Mt. Holly, NC	coal
Buck CT	3	62	75	Salisbury, NC	gas
Dan River CT	3	48	62	Eden, NC	gas
Lincoln CT	16	1,267	1,488	Stanley, NC	gas
Riverbend CT	4	64	90	Mt Holly, NC	gas
Rockingham CT	5	825	825	Rockingham, NC	gas
McGuire	2	2,200	2,312	Huntersville, NC	nuclear
Hydro Stations	36	605	605	various	hydro
<b>South Carolina</b>					
Lee Steam	3	370	372	Pelzer, SC	coal
Buzzard Roost CT	10	176	176	Chappels, SC	gas
Lee CT	2	82	82	Pelzer, SC	gas
Mill Creek CT	8	595	739	Blacksburg, SC	gas
Catawba	2	2,258	2,326	York, SC	nuclear
Oconee	3	2,538	2,595	Seneca, SC	nuclear
Jocassee	4	730	730	Salem, SC	pumped storage
Bad Creek	4	1,360	1,360	Salem, SC	pumped storage
Hydro Stations	48	461	461	various	hydro

Source: Duke Energy, The Duke Energy Carolinas Integrated Resources Plan, September 1, 2010, 16-25.

## Exhibit 9 Selected Financial Data.(a). Duke Energy Corporation

(in millions, except per-share amounts)	2010	2009	2008	2007	2006
<b>Statement of Operations</b>					
Total operating revenues	\$14,272	\$12,731	\$13,207	\$12,720	\$10,607
Total operating expenses	11,964	10,518	10,765	10,222	9,210
Gains on sales of investments in commercial and multi-family real estate	—	—	—	—	201
Gains (losses) on sales of other assets and other, net	153	36	69	-5	223
Operating income	2,461	2,249	2,511	2,493	1,821
Total other income and expenses	589	333	121	428	354
Interest expense	840	751	741	685	632
Income from continuing operations before income taxes	2,210	1,831	1,891	2,236	1,543
Income tax expense from continuing operations	890	758	616	712	450
Income from continuing operations	1,320	1,073	1,275	1,524	1,093
Income (loss) from discontinued operations, net of tax	3	12	16	-22	783
Income before Extraordinary Items	1,323	1,085	1,291	1,502	1,876
Extraordinary items, net of tax	—	—	67	—	—
Net income	1,323	1,085	1,358	1,502	1,876
Net income (loss) attributable to noncontrolling interests	3	10	-4	2	13
Net income attributable to Duke Energy Corporation	\$1,320	\$1,075	\$1,362	\$1,500	\$1,863
<b>Ratio of Earnings to Fixed Charges Common Stock Data</b>	<b>\$3.0</b>	<b>\$3.0</b>	<b>\$3.4</b>	<b>\$3.7</b>	<b>\$2.6</b>
Shares of common stock outstanding					
Year-end	\$1,329	\$1,309	\$1,272	\$1,262	\$1,257
Weighted average — basic	\$1,318	\$1,293	\$1,265	\$1,260	\$1,170
Weighted average — diluted	\$1,319	\$1,294	\$1,267	\$1,265	\$1,188
Net income attributable to Duke Energy Corporation common shareholders					
Basic	\$1.00	\$0.83	\$1.08	\$1.19	\$1.59
Diluted	\$1.00	\$0.83	\$1.07	\$1.18	\$1.57
Dividends per share(b)	\$0.97	\$0.94	\$0.90	\$0.86	\$1.26
<b>Balance Sheet</b>					
Total assets	\$59,090	\$57,040	\$53,077	\$49,686	\$68,700
Long-term debt including capital leases and VIEs, less current maturities	\$17,935	\$16,113	\$13,250	\$9,498	\$18,118

Source: Duke Energy 2010 Annual Report and Form 10-K, p. 39.

**Exhibit 10** Duke Energy Corporation Consolidated Statements of Operations

(In millions, except per-share amounts)	Years Ended December 31,		
	2010	2009	2008
<b>Operating Revenues</b>			
Regulated electric	\$10,723	\$10,033	\$9,325
Non-regulated electric, natural gas and other	2,930	2,050	3,092
Regulated natural gas	619	648	790
Total operating revenues	14,272	12,731	13,207
<b>Operating Expenses</b>			
Fuel used in electric generation and purchased power—regulated	3,345	3,246	3,007
Fuel used in electric generation and purchased power—non-regulated	1,199	765	1,400
Cost of natural gas and coal sold	381	433	613
Operation, maintenance and other	3,825	3,313	3,351
Depreciation and amortization	1,786	1,656	1,670
Property and other taxes	702	685	639
Goodwill and other impairment charges	726	420	85
Total operating expenses	11,964	10,518	10,765
Gains on Sales of Other Assets and Other, net	153	36	69
Operating Income	2,461	2,249	2,511
<b>Other Income and Expenses</b>			
Equity in earnings (losses) of unconsolidated affiliates	116	70	-102
Gains (losses) on sales and impairments of unconsolidated affiliates	103	-21	-9
Other income and expenses, net	370	284	232
Total other income and expenses	589	333	121
Interest Expense	840	751	741
Income From Continuing Operations Before Income Taxes	2,210	1,831	1,891
Income Tax Expense from Continuing Operations	890	758	616
Income From Continuing Operations	1,320	1,073	1,275
Income From Discontinued Operations, net of tax	3	12	16
Income Before Extraordinary Items 1,323 1,085 1,291	1,323	1,085	1,291
Extraordinary Items, net of tax	—	—	67
Net Income	1,323	1,085	1,358
Less: Net Income (Loss) Attributable to Noncontrolling Interests	3	10	-4
Net Income Attributable to Duke Energy Corporation	\$1,320	\$1,075	\$1,362

Source: Duke Energy 2010 Annual Report and Form 10-K, p. 81.

## Exhibit 11 Duke Energy Corporation Consolidated Balance Sheets

(In millions)	December 31,	
	2010	2009
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$1,670	\$1,542
Receivables (net of allowance for doubtful accounts of \$34 at December 31, 2010, and \$42 at December 31, 2009)	855	845
Restricted receivables of variable interest entities (net of allowance for doubtful accounts of \$34 at December 31, 2010 and \$6 at December 31, 2009)	1,302	896
Inventory	1,318	1,515
Other	1,078	968
Total current assets	6,223	5,766
<b>Investments and Other Assets</b>		
Investments in equity method unconsolidated affiliates	444	436
Nuclear decommissioning trust funds	2,014	1,765
Goodwill	3,858	4,350
Intangibles, net	467	593
Notes receivable	42	45
Restricted other assets of variable interest entities	139	92
Other	2,300	2,526
Total investments and other assets	9,264	9,807
<b>Property, Plant and Equipment</b>		
Cost	57,597	55,362
Cost, variable interest entities	942	—
Less accumulated depreciation and amortization	18,195	17,412
Net property, plant and equipment	40,344	37,950
<b>Regulatory Assets and Deferred Debits</b>		
Deferred debt expense	246	258
Regulatory assets related to income taxes	780	557
Other	2,233	2,702
Total regulatory assets and deferred debits	3,259	3,517
<b>Total Assets</b>	<b>\$59,090</b>	<b>\$57,040</b>

## Exhibit 11 (continued)

**Consolidated Balance Sheets—(Continued)**

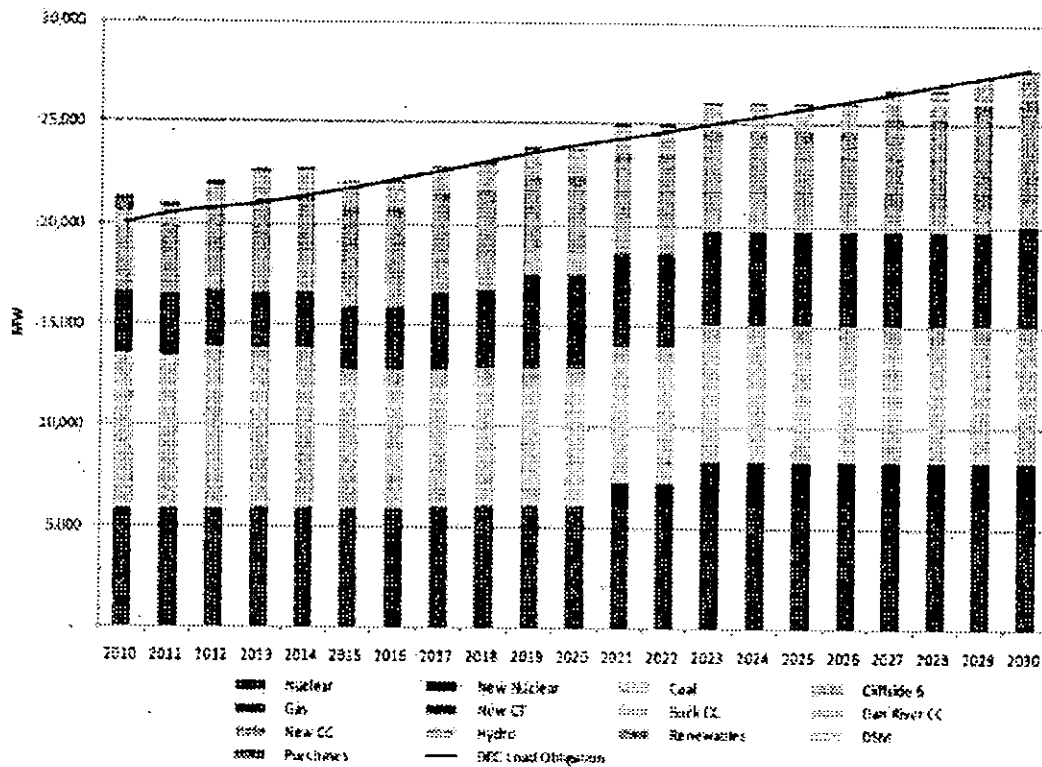
	December 31,	
(in millions, except per-share amounts)	2010	2009
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$1,587	\$1,390
Non-recourse notes payable of variable interest entities	216	—
Taxes accrued	412	428
Interest accrued	237	222
Current maturities of long-term debt	275	902
Other	1,170	1,146
Total current liabilities	3,897	4,088
<b>Long-term Debt</b>	<b>16,959</b>	<b>15,732</b>
<b>Non-recourse long-term debt of variable interest entities</b>	<b>976</b>	<b>381</b>
<b>Deferred Credits and Other Liabilities</b>		
Deferred income taxes	6,978	5,615
Investment tax credits	359	310
Asset retirement obligations	1,816	3,185
Other	5,452	5,843
Total deferred credits and other liabilities	14,606	14,953
<b>Commitments and Contingencies</b>		
<b>Equity</b>		
Common Stock, \$0.001 par value, 2 billion shares authorized; 1,329 million and 1,309 million shares outstanding at December 31m 2010 and December 31, 2009, respectively	1	1
Additional paid-in capital	21,023	20,661
Retained earnings	1,496	1,460
Accumulated other comprehensive income (loss)	2	(372)
Total Duke Energy Corporation shareholder's equity	22,522	21,750
Noncontrolling interests	131	136
Total equity	22,653	21,886
<b>Total Liabilities and Equity</b>	<b>59,090</b>	<b>57,040</b>
See Notes to Consolidated Financial Statments		

Source: Duke Energy 2010 Annual Report and Form 10-K, p. 85-86.

**Exhibit 12 Duke Energy Carolinas: Planned additions to capacity, 2011-2030 in MW**

	Upgrades: Hydro	Nuclear	New CC	New CT	New Nuclear	New Coal	New Hydro	Total
2011	50		620					670
2012		10	620			825	9	1,464
2013		45						45
2014		18						18
2015								-
2016								-
2017		21		740				761
2018		81						81
2019		30		740				770
2020								-
2021					1,117			1,117
2022								-
2023					1,117			1,117
2024								-
2025								-
2026								-
2027			650					650
2028								-
2029			650					650
2030				300				300
Total	50	205	2,540	1,780	2,234	825	9	7,643
%	1%	3%	33%	23%	29%	11%	<0.5%	

Source: Duke Energy, The Duke Energy Carolinas Integrated Resources Plan, September 1, 2010.

**Exhibit 13** Annual Capacity Projection 2010 through 2030

Source: Duke Energy, The Duke Energy Carolinas Integrated Resource Plan (Annual Report), September 1, 2010, 80.



**Exhibit 14** Duke's Optimal Additions to Capacity in the 2010 IRP

Year	Month	Project	MW
2011	6	Jocassee Upgrades	50
2011	10	Buck Combined Cycle	620
2012	4	Cliffside 6	825
2012	6	Bridgewater Hydro	8.75
2012	6	Nuclear Upgrades	10
2012	10	Dan River Combined Cycle	620
2013	6	Nuclear Upgrades	45
2014	6	Nuclear Upgrades	18
2017	6	Nuclear Upgrades	21
2017	6	New CT	740
2018	6	Nuclear Upgrades	81
2019	6	Nuclear Upgrades	30
2019	6	New CT	740
2021	6	New Nuclear	1117
2023	6	New Nuclear	1117
2027	6	New CC	650
2029	6	New CC	650
2030	6	New CT	300

Source: Duke Energy, The Duke Energy Carolinas Integrated Resource Plan (Annual Report), September 1, 2010, 91.

**Exhibit 15** Cost comparison for Duke Energy Carolinas "CT/CC" portfolio (8 new fossil plants through 2030) vs. "2N" portfolio (5 fossil plants plus two reactors)

	NPV cost of 2N minus NPV cost of CT/CC, in \$ billions
Reference case (best estimate of fuel costs and of nuclear capital costs; assumes CO2 price of \$10 per ton in 2015, rising above \$40 by 2030)	-1.8
Assume CO2 price of \$30 per ton in 2015, rising above \$90 by 2030	-5.0
Assume CO2 price of about \$18 per ton in 2015, rising above \$60 by 2030	-2.8
Assume coal prices 50% higher and natural gas prices 35% higher	-5.5
Assume coal prices 20% lower and natural gas prices 25% lower	0.6
Assume nuclear capital cost 20% higher	0.5
Assume nuclear capital cost 10% lower	-2.9
Assume enhanced government incentives for nuclear	-4.4

Source: Duke Energy, The Duke Energy Carolinas Integrated Resources Plan, September 1, 2010.