

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1095
DOCKET NO. E-7, SUB 1100
DOCKET NO. G-9, SUB 682

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Duke Energy Corporation)	ORDER GRANTING MOTION FOR
and Piedmont Natural Gas, Inc., to Engage)	LEAVE TO FILE RESPONSE AND
in a Business Combination Transaction)	ACCEPTING FOR FILING
and Address Regulatory Conditions and)	RESPONSE OF DUKE ENERGY
Code of Conduct)	AND PIEDMONT NATURAL GAS

BY THE CHAIRMAN: On January 15, 2016, Duke Energy Corporation (Duke) and Piedmont Natural Gas Company, Inc. (Piedmont) (collectively, Applicants) filed an application in the above-captioned dockets for authorization to engage in a business combination transaction (proposed merger), and to revise and apply Duke Energy Carolinas, LLC's (DEC's) and Duke Energy Progress, LLC's (DEP's) Regulatory Conditions and Code of Conduct to Piedmont.

On June 10, 2016, the North Carolina Waste Awareness and Reduction Network (NC WARN), The Climate Times (TCT), and the North Carolina Housing Coalition (NCHC) (collectively, NC WARN), filed testimony of Touché Howard and J. David Hughes.

On June 16, 2016, the Applicants filed a Motion to Strike and Motion in Limine. The Motion to Strike requested that the Commission strike all of the substantive testimony of NC WARN's witnesses. In essence, the Applicants submitted that NC WARN's testimony addresses broad public policy questions about regulating methane emissions and climate change, and speculates on the future adequacy of natural gas supplies. The Applicants contended that the testimony was not relevant to the issues presented by the proposed merger. Further, the Applicants' Motion in Limine requested that the Commission prevent NC WARN from cross-examining witnesses on these subject matters.

On June 22, 2016, NC WARN filed a response to the Applicants' Motion to Strike and Motion in Limine.

On June 28, 2016, the Commission issued an Order Granting Motion to Strike and Reserving Decision on Motion in Limine (Motion to Strike Order). In summary, the Motion to Strike Order concluded that the bulk of NC WARN's testimony was not evidence that is relevant to the facts pertinent to the Commission's decision to approve or deny the proposed merger of Duke and Piedmont. Therefore, the Motion to Strike Order struck the majority of witnesses Howard's and Hughes' testimony. However, the Commission

reserved a ruling on the Applicants' Motion in Limine until the expert witness hearing in this docket.

The expert witness hearing was held as scheduled on July 18 and 19, 2016. During the hearing, NC WARN cross-examined several witnesses on the subjects of methane emissions, climate change, and the future adequacy of natural gas supplies. The Applicants made timely objections to these questions, which were deemed by the Chairman to constitute a continuing objection. However, the Chairman reserved a ruling on the objections in order to give NC WARN the opportunity to establish a nexus between the subject matter of its questions and the factors to be considered in determining whether the proposed merger meets the public convenience and necessity standard.

On August 25, 2016, NC WARN filed a post-hearing Brief. Included in its Brief is a Motion for Reconsideration requesting that the Commission reconsider the Motion to Strike Order.

On September 1, 2016, the Applicants filed a motion for leave to file a response to NC WARN's Motion for Reconsideration. In addition, the Applicants filed their response.

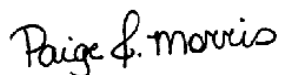
Based on the foregoing and the record, the Chairman finds good cause to grant the Applicants' motion and to accept their response for filing.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 7th day of September, 2016.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Paige J. Morris".

Paige J. Morris, Deputy Clerk