

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 998

DOCKET NO. E-7, SUB 986

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application of Duke Energy Corporation and Progress Energy, Inc. to Engage in a Business Combination Transaction and to Address Regulatory conditions and Codes of Conduct.

**NOTICE OF HEARING
ON APPLICATION TO
ENTER INTO A BUSINESS
COMBINATION**

NOTICE IS HEREBY GIVEN that on April 4, 2011, Duke Energy Corporation (Duke) and Progress Energy, Inc. (Progress), filed an application pursuant to G.S. 62-111(a) for authorization to engage in a business combination transaction; to revise and apply Duke Energy Carolinas, LLC's (DEC) Regulatory Conditions and Code of Conduct to Progress and Progress Energy Carolinas, Inc. (PEC); and to nullify PEC's Regulatory Conditions and Code of Conduct. The proposed transaction will occur at the holding company level, with Duke acquiring all of the issued and outstanding common stock of Progress in exchange for shares of Duke's common stock. Under the proposal, Progress will become a subsidiary of Duke, and both Progress and PEC will remain separate legal entities. PEC and DEC will be merged into a single entity at some point in the future.

Details of the application may be obtained from the Office of the Chief Clerk of the North Carolina Utilities Commission, which is located on the fifth floor of the Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, where a copy of the application is available for review by any interested person. The application, as well as the prefiled testimony and exhibits of the parties, hearing transcripts, post-hearing briefs and proposed orders, may be viewed as they become available on the Commission's website at www.ncuc.net, by clicking on "Docket Search" and typing in the docket and sub docket numbers.

The Commission has instituted an investigation into the application, and a hearing has been scheduled to begin on Tuesday, September 20, 2011, at 9:00 a.m. in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the taking of public witness testimony and the testimony of Duke, Progress, the Public Staff, and other interveners. The hearing will continue as necessary until the conclusion of the case.

Persons having an interest in this matter and desiring to intervene as formal parties of record shall file their petitions to intervene not later than Friday, August 12, 2011, and in accordance with Rules R1-5 and R1-19 of the commission's Rules and Regulations. These petitions should reference Docket Nos. E-2, Sub 998, and E-7, Sub 986, and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. All interveners who wish to present testimony in the proceeding must prefile their testimony not later than Friday, August 26, 2011. Persons desiring to send written statements to inform the Commission of their views in the matter should address their statements to the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325. Written statements, however, cannot be considered competent evidence unless the authors of those statements appear at the hearing and testify concerning the information contained in their statements.

The Public Staff is authorized by statute to represent the using and consuming public in proceedings before the Commission. Written statements to the Public Staff should be addressed to Mr. Robert P. Gruber, Executive Director, Public Staff - North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326.

The Attorney General is also authorized by statute to represent the using and consuming public in proceedings before the Commission. Written statements to the Attorney General should be addressed to The Honorable Roy Cooper, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

This the 27 day of April, 2011.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

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