



Contact: Rebecca Agner, Electricities of North Carolina
Office: 919.760.6334
Email: ragner@electricities.org

Contact: Jeff Brooks, Duke Energy
Office: 919.219.9215 | 24-Hour: 800.559.3853
Email: jeff.brooks2@duke-energy.com

July 31, 2015

Duke Energy Progress completes purchase of NCEMPA generation assets

- **NCEMPA generating assets purchased by Duke Energy Progress for \$1.25 billion**
- **Purchase provides long-term fuel savings for Duke Energy Progress customers**
- **Sale of assets will reduce NCEMPA outstanding debt by more than 70 percent**

RALEIGH – Following a year of regulatory reviews, approvals and legislative action, Duke Energy Progress and the North Carolina Eastern Municipal Power Agency (NCEMPA) today completed the approximately \$1.25 billion sale of NCEMPA’s generating assets to Duke Energy Progress.

The agreement provides positive benefits to both Duke Energy Progress customers and NCEMPA members.

“This purchase will provide long-term fuel savings for Duke Energy Progress customers, and provide an important economic benefit to Eastern North Carolina,” said Paul Newton, Duke Energy president – North Carolina. “The agreement represents the best spirit of private and public sectors working together toward a common goal. I am very proud of what we have achieved for our respective customers and for the citizens of our state.”

“Today marks the beginning of a new day for NCEMPA member communities,” said Graham Edwards, Electricities CEO. “The asset sale and its rate impacts are the culmination of years of hard work by many people. We initially estimated this sale to take nearly two years to complete, yet were able to close months ahead of schedule. With the support of the General Assembly and the governor, as well as the diligent work of our members and Duke Energy Progress, the transaction is now complete.”

Prior to the sale, NCEMPA maintained partial ownership interest in several Duke Energy Progress plants, including Brunswick Nuclear Plant Units 1 and 2 (Brunswick County), Mayo Plant (Person County), Roxboro Plant Unit 4 (Person County) and the Harris Nuclear Plant (Wake County).

NCEMPA's ownership interest in these plants represented approximately 700 megawatts of generating capacity.

The \$1.25 billion purchase price includes NCEMPA's ownership interest in the plants, fuel inventories, and spare parts as well as certain adjustments set forth in the asset purchase agreement.

NCEMPA members' distribution assets are not part of the agreement, and will continue to be owned and maintained by those members.

Under the terms of the agreement, Duke Energy Progress and NCEMPA have entered into a 30-year wholesale power supply agreement to continue meeting the needs of NCEMPA customers previously served by the agency's interest in Duke Energy Progress' plants. Power sales under this supply agreement commenced immediately upon closing.

Duke Energy Progress and NCEMPA first announced the agreement on July 28, 2014. Completion of the transaction required regulatory action by the Federal Energy Regulatory Commission, Nuclear Regulatory Commission, and N.C. Utilities Commission.

On April 2, 2015, legislation was signed that provided a means for Duke Energy Progress to finance the full cost of the asset acquisition. NCEMPA received legislative approval to refinance its remaining debt obligations after the completion of this transaction.

The agreement also required the approval of NCEMPA's 32 member utilities.

About North Carolina Eastern Municipal Power Agency

NCEMPA consists of 32 cities and towns in eastern North Carolina, including some of the largest cities in the region. NCEMPA participants own and operate their electric systems and serve nearly 270,000 retail customers. NCEMPA was formed in 1978 and is managed by Electricities of North Carolina, headquartered in Raleigh.

About Duke Energy Progress

Duke Energy Progress, a subsidiary of Duke Energy (NYSE: DUK), provides electricity and related services to nearly 1.5 million customers in North Carolina and South Carolina. The utility is headquartered in Raleigh, N.C., and serves a territory encompassing more than 34,000 square miles including the cities of Raleigh,

Wilmington and Asheville in North Carolina and Florence and Sumter in South Carolina. More information is available at www.duke-energy.com.

Headquartered in Charlotte, N.C., Duke Energy is a Fortune 250 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available at: www.duke-energy.com.

###