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HAND DELIVERY

June 18, 2012

Roy A. Cooper, III  
Attorney General  
Old Education Building  
114 W. Edenton Street  
Raleigh, NC 27602

Robert Gruber  
Executive Director  
Public Staff of the NC Utilities Commission  
4326 Mail Service Center  
Raleigh, NC 27699-4326

Re: INVESTIGATION -- Duke-Progress Merger

Gentlemen:

In preparing comments on the Duke-Progress merger on behalf of the NC Waste Awareness and Reduction Network (NC WARN), we came across several reports that South Carolina officials, including the South Carolina Public Service Commission, were pressuring the utilities to purchase the State-owned Santee Cooper's shares of the V.C. Summer Nuclear Generating Station.

Santee Cooper owns one-third of the present reactor and 45% of the proposed units 2 and 3. Based on the recent cost estimate of \$9.8 billion, buying Santee Cooper's share would add about \$4.5 billion to the cost of the merger. But those are low-ball estimates; other nuclear units in the Southeast are projected to cost roughly twice as much. Realistically, purchasing Santee Cooper's share would likely add much more to the cost of the merger.

We were unable to find any filings in either the South Carolina or North Carolina dockets regarding the V.C. Summer Station. If a purchase of nuclear units in South Carolina has been made a condition to the merger, it should be part of the public record, and not as some backroom negotiation.

We are asking the two of you to investigate the reports, and to determine the substance and legality of including the V.C. Summer Plant in the merger. As a nongovernmental organization, NC WARN does not have the resources and ability your agencies have to undertake this task.

NC WARN believes the costs to the rate payers in both states far outweigh the benefits from the merger, especially with a multibillion dollar side deal made outside of public scrutiny.

We will be glad to assist you in any way we can.

Sincerely,

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for NC WARN

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