

State of North Carolina Department of Justice

INVESTIGATIVE DEMAND

ISSUED TO:

Duke Energy Corporation

c/o CT Corporation System, registered agent

150 Fayetteville St., Box 1011

Raleigh, NC 27601

TAKE NOTICE: YOU ARE HEREBY REQUIRED to produce for inspection the following documents to the undersigned at N.C. Department of Justice, Old Education Building, 114 West Edenton Street, Raleigh, North Carolina 27602 on or before July 31, 2012.

In addition, **YOU ARE HEREBY INSTRUCTED** that you are not to destroy or dispose of any documents in your possession, custody, or control requested in this Investigative Demand.

You are also hereby put on notice that you may be asked to respond to additional requests at a later date.

I. INSTRUCTIONS

- A. This Investigative Demand calls for all described documents in your possession, custody or control. If any responsive document was, but no longer is, in your possession, custody or control, identify the person or entity having possession, custody or control of such document and produce a description of the document. The description shall include the following:
 - 1. the name of each author, sender, creator, and initiator of such document;
 - 2. the name of each recipient, addressee, or party for whom such document was intended;
 - 3. the date the document was created;
 - 4. the date(s) the document was in use;

- 5. a detailed description of the content of the document;
- 6. the reason it is no longer in your possession, custody or control; and
- 7. the document's present whereabouts.
- B. If the document is no longer in existence, in addition to providing the information indicated above, state on whose instructions the document was destroyed or otherwise disposed of, and the date and manner of the disposal.
- C. This Investigative Demand is ongoing in nature and that you should supplement your responses by delivering to the undersigned copies of any other responsive documents as those documents come into your possession, custody, or control, or as soon thereafter as practicable.
- D. All responsive documents that are maintained in an electronic format shall be produced in TIFF format, with associated linking files, on CD-ROM or hard drive. If you are unable to produce documents in TIFF format, they may be produced in PDF or native format, if such format is readily accessible by and searchable in commonly available personal computer software programs. Responsive documents produced in an electronic format shall:
 - 1. be properly identified;
 - 2. be produced in a format that accurately captures each version of the document, including handwritten notes, signatures, etc.;
 - 3. include all associated electronically-searchable text files;
 - 4. include all metadata associated with the document; and
 - 5. otherwise comply with other provisions of these instructions.
- E. If any responsive document, or portion thereof, is withheld for any reason, including but not limited to a claim of privilege, provide a detailed log that contains the following information for each document that you have withheld:
 - 1. the name of each author, writer, sender, creator, or initiator of such document;
 - 2. the name of each recipient, addressee, or party for whom such document was intended;
 - 3. the date of such document, or an estimate thereof if no date appears on the document;
 - 4. the general subject matter of the document; and
 - 5. the claimed grounds for withholding the document, including but not limited to the nature of any claimed privilege and grounds in support thereof.
- F. All attachments to responsive documents shall be produced attached to the responsive documents.
- G. Every document produced shall be identified with the specific document request in response to which the document is being produced.

H. The relevant time period for which documents are requested is January 1, 2011 (reflecting a date that is just prior to the January 10, 2011 announcement of the proposed merger between your company and Progress Energy, Inc. at the North Carolina Utility Commission's staff conference) to the present.

II. DEFINITIONS

- A. "Document" or "Documents" shall mean all physically or electronically stored information, including writings, drawings, graphs, charts, photographs, sound recordings, images, and other data or data compilations stored in any medium from which information can be obtained, and shall include drafts, non-identical copies, and file folders and jackets in which Documents are contained. "Non-identical copies" are reproductions of original documents which have notations, markings, comments, or other material not appearing in the original.
- B. "You," "Your," or "Your Company" shall mean Duke Energy Corporation ("Duke Energy") and its related entities, divisions, units, and subsidiaries, whether or not wholly owned (including but not limited to Duke Energy Carolinas LLC), its merged, consolidated or acquired predecessors, and its present and former officers, directors, agents, representatives and employees of any of the foregoing.
- C. "Communication" shall mean any means of disclosure, transfer, exchange or transmittal of information, whether oral or written, whether handwritten, typewritten, tape-recorded, or produced by electronic data processing, regardless of how conveyed, e.g., telephone, e-mail (including all work and private email accounts), United States mail, private mail, personal delivery or courier service, facsimile transmittal, face-to-face contact or otherwise, including but not limited to: inquiries, discussions, conversations, negotiations, agreements, reports, understandings, meetings, memoranda, telephone conversations, letters, notes, telegrams, advertisements, or other forms of communication, whether oral or written.
- D. "Person" means any individual, partnership, firm, association, corporation, or other business, governmental or legal entity.
- E. "Identify" means to produce a document or documents providing the name, title or former title, address, and telephone number of the person.
- F. "Related" means to be relevant in any way to the subject matter in question including, without limitation, all information that directly or indirectly contains, records, reflects, summarizes, evaluates, refers to, indicates, comments upon, or discusses the subject matter. The terms also include documents or information that states the background of, was the basis for, records, evaluates, comments upon, or was referred to, relied upon, utilized, generated, transmitted, or received in arriving at any conclusion, opinion, estimate, position, decision, belief, or assertion concerning the subject matter.

III. REQUESTS

- 1. Produce all documents that reflect, show, discuss, or describe any communications to or from your following board members (and, in addition to those listed, any other board members who served on your board during the relevant time period set forth above) related in any way to the business of your company, Progress Energy, Inc., and/or the merged entity of your company and Progress Energy, Inc.:
 - a. John D. Baker II
 - b. William Barnet III
 - c. G. Alex Berhnardt Sr.
 - d. Michael G. Browning
 - e. Harris E. DeLoach, Jr.
 - f. Daniel R. DiMicco
 - g. John H. Forsgren
 - h. Ann Maynard Gray
 - i. James H. Hance Jr.
 - j. James B. Hyler, Jr.
 - k. E. Marie McKee
 - 1. James Reinsch
 - m. James T. Rhodes
 - n. Carlos A. Saladrigas
 - o. Philip R. Sharp
 - p. Theresa M. Stone
- 2. Produce all documents that reflect, show, discuss, or describe communications to or from the following Progress Energy, Inc. board members (and, in addition to those listed, any other board members who served on the board of Progress Energy, Inc. during the relevant time period set forth above) related in any way to the business of your company, Progress Energy, Inc., and/or the merged entity of your company and Progress Energy, Inc.:
 - a. William D. Johnson
 - b. John D. Baker II
 - c. James E. Bostic, Jr.
 - d. Harris E. DeLoach Jr.
 - e. James B. Hyler Jr.
 - f. Robert W. Jones
 - g. W. Steven Jones

- h. Melquiades R. Martinez
- i. E. Marie McKee
- i. John H. Mullin III
- k. Charles W. Pryor Jr.
- 1. Carlos A. Saladrigas
- m. Theresa M. Stone
- n. Alfred C. Tollison Jr.
- 3. Produce all documents that reflect, show, discuss, or describe communications to or from the following individuals (and, in addition to those listed, any other person who was a member of your senior management team during the relevant time period set forth above) related in any way to the business of your company, Progress Energy Inc., and/or the merged entity of your company and Progress Energy, Inc.
 - a. James E. Rogers
 - b. Mark F. Mulhern
 - c. Lynn J. Good
 - d. Paula J. Sims
 - e. Dhiaa M. Jamil
 - f. B. Keith Trent
 - g. Jeffrey J. Lyash
 - h. Jennifer L. Weber
 - i. Marc. E. Manly
 - i. Lloyd M. Yates
 - k. John R. McArthur
- 4. For 2011 and 2012, produce minutes for all meetings of Progress Energy, Inc.'s Board of Directors.
- 5. For 2011 and 2012, produce minutes for all meetings of your: (a) Board of Directors;
 - (b) Senior Management Committee; (c) Corporate Governance Committee;
 - (d) Compensation Committee; and (e) Regulatory Policy and Operations Committee.
- 6. Produce all documents or communications that discuss the prospective chief executive officer of the merged entity of your company and Progress Energy, Inc., including but not limited to any discussion of any effort or plan for James E. Rogers to be the chief executive officer of such merged entity.

7. Produce all documents or communications that identify or assess risks and/or impacts (financial, consumer, investor, regulatory, or otherwise) associated with a change of management following the merger.

Issued this the 6th day of July 2012, under my hand and seal pursuant to authority vested in me by Sections 75-9 and 75-10 of the General Statutes of North Carolina.

ROY COOPER Attorney General

By:

Creecy C. Johnson

Assistant Attorney General

North Carolina Department of Justice

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