

**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 and )  
Piedmont Natural Gas Company, Inc., to )  
Engage in Business Combination Transaction )  
and Address Regulatory Conditions and )  
Codes of Conduct )

ORDER SCHEDULING HEARING,  
ESTABLISHING PROCEDURAL  
DEADLINES, AND REQUIRING  
PUBLIC NOTICE

BY THE COMMISSION: On January 15, 2016, Duke Energy Corporation (Duke) and Piedmont Natural Gas Company, Inc. (Piedmont) (collectively, the Applicants), filed an application pursuant to G.S. 62-111(a) for authorization to engage in a business combination transaction; and to revise and apply Duke Energy Carolinas, LLC's (DEC) and Duke Energy Progress, LLC's (DEP) Regulatory Conditions and Code of Conduct to Piedmont. The proposed transaction will occur at the holding company level, with Duke acquiring all of the issued and outstanding common stock of Piedmont. Each share of Piedmont's common stock will be converted into the right to receive \$60.00 in cash, without interest and less any applicable withholding taxes. Under the proposal, Piedmont will become a direct, wholly-owned subsidiary of Duke that will continue to exist as a separate legal entity.

Attached to the application are the following: a copy of the agreement and plan of merger; a cost-benefit analysis; a market power analysis; proposed regulatory conditions and code of conduct; and testimony and exhibits.

The Commission's Order Requiring Filing of Analyses issued November 2, 2000, in Docket No. M-100, Sub 129, requires that merger applications be accompanied by a market power analysis and a cost-benefit analysis. The Applicants submit that the cost-benefit analysis and market power analysis attached to the application comply with this requirement.

The application notes that G.S. 62-160 through 62-169 and Commission Rule R1-16 govern the issuance of securities by a public utility. In its June 29, 2012, Order Approving Merger Subject to Certain Regulatory Conditions and Code of Conduct in Docket Nos. E-7, Sub 786 and E-2, Sub 998, the Commission approved certain regulatory conditions pertaining to financings, mergers, acquisitions, or other business combination transactions. In conjunction with this application, Duke filed a Request For Expedited Approval of Piedmont Transaction-Related Financing pursuant to Regulatory

Condition Nos. 7.6(d) and 9.1, and requested Commission approval of the request within thirty days as set forth more fully in that filing. On January 29, 2016, the Commission issued an Order Approving Piedmont Transaction-Related Financing.

The Public Staff presented this matter at the Commission's Staff Conference on February 29, 2016, and recommended that an order be issued setting the application for hearing, establishing deadlines for petitions to intervene and the filing of testimony, establishing appropriate discovery rules, and requiring public notice. The Public Staff further recommended that the procedural order state that the application satisfies the requirements of the November 2, 2000, Order in Docket No. M-100, Sub 129.

Based upon a review of the application and the Public Staff's recommendations, the Commission finds good cause to set the application for hearing, establish deadlines for petitions to intervene and the filing of testimony, establish appropriate discovery rules, and require public notice. Further, the Commission finds and concludes that the application satisfies the requirements of the November 2, 2000, Order in Docket No. M-100, Sub 129.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition that a party desires to take shall be taken before the deadline for the filing of Public Staff and other intervenor testimony. A notice of deposition shall be served on all parties at least seven calendar days prior to the taking of the deposition.

2. Any motion for a subpoena of a witness to appear at the evidentiary hearing shall be filed with the Commission before the deadline for the filing of Public Staff and other intervenor testimony. The motion shall be served in any manner allowed under Commission Rule R1-39 on the person sought to be subpoenaed at or before the time of filing with the Commission. The movant shall make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding as provided by G.S. 62-2. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day of the filing of the motion.

3. Formal discovery requests related to the application and the Applicants' prefiled direct testimony shall be served on the Applicants in any manner allowed under Commission Rule R1-39, no later than May 27, 2016, which is 14 days prior to the filing of Public Staff or other intervenor testimony. The Applicants shall have up to ten calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten days prior to the deadline for the filing of Public Staff and other intervenor testimony.

4. Formal discovery requests of the Public Staff and other intervenors shall be served in any manner allowed under Commission Rule R1-39, no later than June 24, 2016, which is 14 days after such testimony is filed. The party served shall have

up to two business days to file with the Commission objections to the discovery request on an item-by-item basis, but in no event shall objections be filed later than 18 days after that party's testimony was filed.

5. Formal discovery requests related to the Applicants' prefiled rebuttal testimony shall be served on the Applicants in any manner allowed under Commission Rule R1-39, no later than July 11, 2016, which is ten days after such testimony was filed. The Applicants shall have up to two calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than 12 days after the rebuttal testimony was filed. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two days to file a motion to compel with the Commission, and the party objecting to discovery shall have one day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party in any manner allowed under Commission Rule R1-39 at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery because of that party's late intervention or other delay in initiating discovery.

The Commission urges all parties to work in a cooperative manner to accommodate discovery within the time available. The Commission recognizes that in the past most discovery has been conducted informally without the need for Commission involvement or enforcement and that such discovery has been generally successful. The above guidelines do not preclude the parties from conducting informal discovery or exchanging information at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That the application of Duke and Piedmont for authority to engage in a business combination transaction is scheduled for hearing to begin on Monday, July 18, 2016, at 2:00 p.m., in Commission Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the taking of public witness testimony and the testimony of Duke, Piedmont, the Public Staff, and other intervenors. The hearing will continue as necessary until the conclusion of the case.

2. That the application satisfies the requirements of the November 2, 2000, Order in Docket No. M-100, Sub 129.

3. That the Public Staff and other intervenors shall file their testimony not later than June 10, 2016.

4. That petitions to intervene in the proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 not later than May 27, 2016.

5. That rebuttal testimony of the Applicants shall be filed not later than July 1, 2016.

6. That the parties shall comply with the discovery guidelines established in this Order.

7. That the Applicants shall consult with all other parties and file, not later than July 14, 2016, a joint list and order of witnesses to be called to testify at the hearing and estimated times for cross-examination of those witnesses.

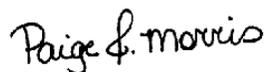
8. That the Applicants shall, at their expense, publish in newspapers having general coverage in their North Carolina service territory the Notice attached hereto as Appendix A once a week for two consecutive weeks, with the first publication occurring not later than the week of March 20, 2016. The published notice shall cover no less than one fourth of a page. Duke and Piedmont shall file affidavits of publication with the Commission prior to the scheduled hearing.

9. That the Applicants shall mail the attached notice to their customers, as a bill insert or by separate mail, in conjunction with their next billing cycles and shall file certificates of service prior to the scheduled hearing.

ISSUED BY ORDER OF THE COMMISSION.

This the 2<sup>nd</sup> day of March, 2016.

NORTH CAROLINA UTILITIES COMMISSION



Paige J. Morris, Deputy Clerk

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 )  
and Piedmont Natural Gas Company, Inc., ) NOTICE OF HEARING ON  
to Engage in Business Combination ) APPLICATION TO ENTER  
Transaction and Address Regulatory ) INTO A BUSINESS  
Conditions and Codes of Conduct ) COMBINATION TRANSACTION

NOTICE IS HEREBY GIVEN that on January 15, 2016, Duke Energy Corporation (Duke) and Piedmont Natural Gas Company, Inc. (Piedmont) (collectively, the Applicants), filed an application pursuant to G.S. 62-111(a) for authorization to engage in a business combination transaction; and to revise and apply Duke Energy Carolinas, LLC's (DEC) and Duke Energy Progress, LLC's (DEP) Regulatory Conditions and Code of Conduct to Piedmont. The proposed transaction will occur at the holding company level, with Duke acquiring all of the issued and outstanding common stock of Piedmont. Each share of Piedmont's common stock will be converted into the right to receive \$60.00 in cash, without interest and less any applicable withholding taxes. Under the proposal, Piedmont will become a direct, wholly-owned subsidiary of Duke that will continue to exist as a separate legal entity.

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 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](http://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 Monday, July 18, 2016, at 2:00 p.m., in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, for the taking of public witness testimony in accordance with Rule R1-21(g) of the Commission's Rules and Regulations, and the testimony of Duke, Piedmont, the Public Staff, and other intervenors. The hearing will continue as necessary until the conclusion of the case.

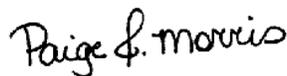
Persons having an interest in this matter and desiring to intervene as formal parties of record may file their motions to intervene not later than May 27, 2016, and in accordance with Rules R1-5 and R1-19 of the Commission's Rules and Regulations. These motions should reference Docket Nos. E-2, Sub 1095, E-7, Sub 1100, and G-9, Sub 682, and should be filed with the Chief Clerk of the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300. All intervenors who wish to present testimony in the proceeding must prefile their testimony not later than June 10, 2016. 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 27699-4300. 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. Christopher J. Ayers, Executive Director, Public Staff – North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300.

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 2<sup>nd</sup> day of March, 2016.

NORTH CAROLINA UTILITIES COMMISSION



Paige J. Morris, Deputy Clerk

NOTE TO THE PRINTER: Duke and Piedmont shall pay advertising costs. It is required that the affidavit of publication be filed with the Commission by Duke and Piedmont.