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PROGRESS ENERGY INC
Form 425
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Filed by Duke Energy Corporation

Pursuant to Rule 425 Under the Securities Act of 1933

And Deemed Filed Pursuant to Rule 14a-6

Under the Securities Exchange Act of 1934

Subject Company: Progress Energy, Inc.

Commission File No.: 333-172899

The following email was sent by Duke Energy Corporation on August 2, 2011.

Today, the Kentucky Public Service Commission (KPSC) approved the settlement agreement reached between Duke Energy Corp. and Progress Energy, Inc. with the Kentucky Attorney General. Under the terms of the approved settlement agreement, Duke Energy Kentucky will not seek a base rate increase for two years from the date of the KPSC's order. This stay-out provision does not preclude Duke Energy Kentucky from filing for rider adjustments, such as for fuel and gas cost recovery and from requesting deferrals for extraordinary expenses such as storm recovery. In addition, Duke Energy will provide shareholder contributions of \$825,000 over five years in support of low-income weatherization and economic development programs.

Other conditions imposed by the KPSC in its order included the following:

Duke Kentucky must continue to offer a full range of cost-effective energy conservation and efficiency programs;

The board of directors of the combined company must include at least one nonemployee member who resides in the company's service territory in Kentucky, Indiana or Ohio; and

No merger costs may be passed on to Duke Kentucky ratepayers.

The full order can be accessed through the KPSC's website under docket number 2011-00124 at the following address

<http://psc.ky.gov/Home/Library?type=Cases&folder=2011%20cases/2011-00124>

The KPSC requires Duke Energy and Progress Energy to accept all the commitments contained in the order within seven days.

A press release announcing the approval is attached.

As always, please give Stephen De May (704-382-2620), Bill Currens (704-382-1603) or Mike Callahan (704-382-0459) a call with any questions.

Regards,

Investor Relations

Cautionary Statements Regarding Forward-Looking Information

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are typically identified by words or phrases such as may, will, should, anticipate, estimate, expect, project, plan, believe, target, forecast, and other words and terms of similar meaning. Forward-looking

statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. Progress Energy and Duke Energy caution readers that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed merger involving Duke Energy and Progress Energy, including future financial and operating results, Progress Energy's or Duke Energy's plans, objectives, expectations and intentions, the expected timing of completion of the transaction, and other statements that are not historical facts. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include risks and uncertainties relating to: the ability to obtain the requisite Duke Energy and Progress Energy shareholder approvals; the risk that Progress Energy or Duke Energy may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger; the risk that a condition to closing of the merger may not be satisfied; the timing to consummate the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time on merger-related issues; general worldwide economic conditions and related uncertainties; the effect of changes in governmental regulations; and other factors discussed or referred to in the Risk Factors section of each of Progress Energy's and Duke Energy's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC). These risks, as well as other risks associated with the merger, are more fully discussed in the joint proxy statement/prospectus that is included in the Registration Statement on Form S-4 that was filed by Duke Energy with the SEC in connection with the merger. Additional risks and uncertainties are identified and discussed in Progress Energy's and Duke Energy's reports filed with the SEC and available at the SEC's website at www.sec.gov. Each forward-looking statement speaks only as of the date of the particular statement and neither Progress Energy nor Duke Energy undertakes any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information and Where to Find It

In connection with the proposed merger between Duke Energy and Progress Energy, Duke Energy filed with the SEC a Registration Statement on Form S-4 that includes a joint proxy statement of Duke Energy and Progress Energy and that also constitutes a prospectus of Duke Energy. The Registration Statement was declared effective by the SEC on July 7, 2011. Duke Energy and Progress Energy mailed the definitive joint proxy statement/prospectus to their respective shareholders on or about July 11, 2011. Duke Energy and Progress Energy urge investors and shareholders to read the Registration Statement, including the joint proxy statement/prospectus that is a part of the Registration Statement, as well as other relevant documents filed with the SEC, because they contain important information. You may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC's website (www.sec.gov). You may also obtain these documents, free of charge, from Duke Energy's website (www.duke-energy.com) under the heading Investors and then under the heading Financials/SEC Filings. You may also obtain these documents, free of charge, from Progress Energy's website (www.progress-energy.com) under the tab Our Company by clicking on Investor Relations, then by clicking on Corporate Profile and then by clicking on SEC Filings.