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May 14, 2020

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Progress, LLC's Notice of Settlement in Insurance Case
Docket No. E-2, Sub 1142**

Dear Ms. Campbell:

Pursuant to Ordering Paragraph No. 9 of the Commission's February 23, 2018 *Order Accepting Stipulation, Deciding Contested Issues and Granting Partial Rate Increase* in Docket No. E-2, Sub 1142 ("DEP Rate Case Order"), I write to notify the Commission that on May 11, 2020 Duke Energy Progress, LLC ("DEP" or the "Company") entered into a confidential settlement agreement with AG Insurance SA/NV (f/k/a L'Etoile S.A. Belge d'Assurances) in the litigation entitled *Duke Energy Carolinas, LLC, et al. v. AG Insurance SA/NV, et al.*, Case No. 17 CVS 55941, Superior Court (Business Court), Mecklenburg County, North Carolina ("Insurance Case"). I also enclose a confidential report explaining the result and stating the amount of insurance proceeds to be received or recovered by the Company. DEP respectfully requests that the confidential report and settlement agreement be protected from public disclosure pursuant to N.C. Gen. Stat. §132-1.2; the information is part of a confidential settlement in the pending Insurance Case, and public disclosure of this information would harm DEP's efforts to prosecute the litigation against other insurance carriers for the benefit of its customers. DEP will provide copies of the confidential information to parties who have executed an appropriate confidentiality agreement.

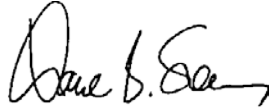
Pursuant to Ordering Paragraph No. 10 of the DEP Rate Case Order, once funds are received, DEP will place all Insurance Case proceeds received in that matter in a regulatory liability account, to be held until the Commission enters an order directing the Company regarding the appropriate disbursement of the proceeds.

OFFICIAL COPY

May 14 2020

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence B. Somers", with a stylized flourish at the end.

Lawrence B. Somers

Enclosure

cc: Parties of Record

CONFIDENTIAL REPORT
AND
CONFIDENTIAL SETTLEMENT AGREEMENT

FILED UNDER SEAL

DOCKET NO. E-2, SUB 1142

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Notice of Settlement in Insurance Case, in Docket No. E-2, Sub 1142, has been served by hand delivery, depositing a copy in the United States Mail, first class postage prepaid, or by electronic mail, properly addressed to the following parties of record:

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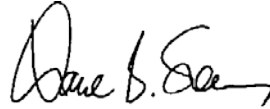
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This the 14th day of May, 2020.



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