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January 8, 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 Western Carolinas Modernization Project

Status Update

Docket No. E-2, Sub 1089

Dear Ms. Campbell:

I write on behalf of Duke Energy Progress, LLC ("DEP") to update the North Carolina Utilities Commission (the "Commission") on the status of the two-unit Asheville Combined Cycle Project approved by the Commission in its March 28, 2016 *Order Granting Application in Part, with Conditions, and Denying Application in Part* ("CPCN Order").

On December 27, 2019, Asheville Combined Cycle Power Block 1 and the common systems that serve both combined cycle units went into commercial operation. Power Block 1 consists of the Unit 5 Combustion Turbine and Unit 6 Steam Turbine Generator (which together form the first combined cycle unit approved in the CPCN Order). Power Block 2 consists of the Unit 7 Combustion Turbine and Unit 8 Steam Turbine Generator (which together form the second combined cycle unit approved in the CPCN Order). During final testing and commissioning, Asheville Combined Cycle Power Block 2 experienced an equipment issue with the Unit 8 Steam Turbine Generator, which the original manufacturer is repairing. DEP expects to place the Unit 7 Combustion Turbine portion of Power Block 2 into commercial operation in simple-cycle mode in January. DEP currently expects to place the Unit 8 Steam Turbine Generator into commercial operation in the first quarter of 2020, after equipment repairs and final testing have been completed.

DEP continues to plan to retire the Asheville Coal Units 1 and 2 by January 31, 2020, and to have sufficient generation capacity to reliably serve DEP customers. DEP will provide additional updates to the Commission on the status of the Asheville Combined Cycle Project should the status change and as important milestones are reached.

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

Sincerely,

awrence B Somers

cc: David Drooz, Public Staff

Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Western Carolinas Modernization Project Status Update, in Docket No. E-2, Sub 1089, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the following parties:

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This is the 8th day of January, 2020.

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