



Jack E. Jirak  
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May 17, 2021

**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 Carolinas, LLC and Duke Energy Progress, LLC's  
Notice of Settlement in Insurance Case  
Docket Nos. E-7, Sub 1146 and E-2, Sub 1142**

Dear Ms. Campbell:

Pursuant to Ordering Paragraph No. 43 of the Commission's June 22, 2018 *Order Accepting Stipulation, Deciding Contested Issues and Requiring Revenue Reduction* in Docket No. E-7, Sub 1146, and 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 (collectively the "2017 Rate Case Orders"), I write to notify the Commission of developments in the coal ash insurance recovery litigation. On May 7, 2021, Generali IARD as successor to Le Continent ("Generali") paid Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" and collectively with DEC, the "Companies") proceeds pursuant to a settlement agreement in the litigation entitled *Duke Energy Carolinas, LLC et al. v. AG Insurance Limited (f/k/a/ L'Etoile S.A. Belge d'Assurances) et al.*, Case No. 17 CVS 5594 Superior Court (Business Court), Mecklenburg County, North Carolina ("Insurance Case"). The proceeds will be allocated between the Companies based on the total ash inventory from the applicable generating facilities and will not be allocated to a specific period.

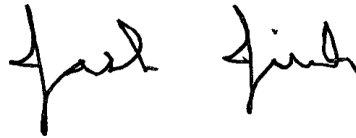
I also enclose a confidential report explaining the result and stating the amount of insurance proceeds to be received or recovered by the Companies. The Companies respectfully request that the confidential report and settlement agreement (including the amount of such settlement) be protected from public 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 the Companies' efforts to prosecute the litigation against other insurance carriers for the benefit of its customers. The Companies will provide copies of the confidential information to parties who have executed an appropriate confidentiality agreement.

Pursuant to Ordering Paragraph No. 44 of the DEC 2017 Rate Case Order and to Ordering Paragraph No. 10 of the DEP 2017 Rate Case Order, once funds are received, the Companies 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 Companies regarding the appropriate disbursement of the proceeds.

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 "Jack Jirak". The signature is written in a cursive, slightly slanted style.

Jack E. Jirak

Enclosure

cc: Parties of Record

DOCKET NOS. E-7, SUB 1146  
AND E-2, SUB 1142

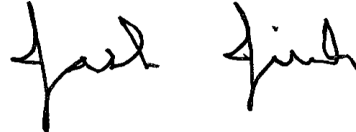
CONFIDENTIAL REPORT ON  
SETTLEMENT AND CONFIDENTIAL  
SETTLEMENT AGREEMENT

FILED UNDER SEAL

**CERTIFICATE OF SERVICE**

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Notice of Settlement in Insurance Case, in Docket Nos. E-7, Sub 1146 and E-2, Sub 1142, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record:

This the 17<sup>th</sup> day of May, 2021.

Handwritten signature of Jack E. Jirak in black ink.

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