

July 5, 2012

The Editor
The Wall Street Journal
1211 Avenue of the Americas
New York, NY 10036

Sir:

As the former Lead Director of Progress Energy, I feel compelled to speak out on behalf of the former shareholders, employees, customers and communities served by Progress who are now all part of or are served by the “new” Duke Energy.

In negotiations with Duke leading to the merger our Board voted to accept a “semi-merger of equals” transaction with the explicit agreement that the Progress CEO, Bill Johnson, would become the CEO of the combined company upon consummation of the merger. This was a critical element in the merger deliberations of our Board because we had confidence that Bill would successfully lead the combined companies to achieve the potential synergistic benefits of the combination. I do not believe that a single director of Progress would have voted for this transaction as structured with the knowledge that the CEO of Duke, Jim Rogers, would remain as the CEO of the combined company.

After a long gestation period, the merger finally closed on July 2nd. As stipulated in the Merger Agreement, Bill Johnson became the President and CEO of the newly combined companies – for approximately 20 minutes!

Following a short organizational meeting, the newly constituted board, which contains a majority of “old Duke” directors, went into executive session and voted to request the resignation of Bill Johnson and the retention of Jim Rogers as the CEO of the newly combined company. In my opinion this can only be described as an incredible act of bad faith with regard to the undertakings of the Merger Agreement. I think it was a clearly premeditated contravention of one of the most central tenets of our Agreement.

In my opinion this is the most blatant example of corporate deceit that I have witnessed during a long career on Wall Street and as a director of ten publicly traded companies and as a former Trustee of Putnam’s numerous mutual funds.

As a non-continuing director of the combined company I now, along with similarly situated former directors of Progress, find myself without a constituency and without an ability to mount a challenge to what I believe is one of the greatest corporate hijackings in US business history.

Consequently, this letter is being written in hopes that what I believe to be a deceitful and pre-meditated contravention of good faith negotiations will not go un-noticed in the “court of public opinion”.

Sincerely,

John H. Mullin, III
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