Duke deal creates largest utility

Power company has plan for 3 new nuke power plants

By Rudolph Bell
Staff writer
dbell@greenvilleonline.com

The new power company created by the merger of Duke Energy and Progress Energy has plans for three new nuclear plants — two in the Carolinas and one in Florida.

But Duke executives have said the Carolinas' plants — one near Gaffney and another near Raleigh — won't get built unless North Carolina lets it recover financing costs from ratepayers up front as South Carolina permits.

Charlotte-based Duke, the Upstate's dominant electricity provider, and Raleigh-based Progress on Monday jumped the last regulatory hurdle needed to merge and create the nation's largest regulated utility with more than seven million retail customers in six states.

The two power companies already had permission to combine from federal and North Carolina regulators when the South Carolina Public Service Commission approved a Joint Dispatch Agreement on Monday, paving the way for completion of the merger.

Duke spokesman Tom Williams said a press release wouldn't be issued until today after all contracts had been signed.

In announcing the merger plans in early 2011, Duke said one of the benefits was that the combined company's bigger size and scale would put it in a better position to develop new nuclear plants.

The new plants would only be pursued, however, with "appropriate regulatory recovery mechanisms," Duke told investors.

Williams said recovering fi-

See MERGE, Page 10A

MERGE

Continued from Page 1A

nancing costs as the plant is built, rather than through cumbersome rate cases, is cheaper for customers and more predictable for utilities.

But Tom Clements, the nonproliferation policy director at the Alliance for Nuclear Accountability, said a coalition is already forming to fight the idea if it surfaces before the North Carolina Legislature next year.

Clements, of Columbia, said he expects the combined company to delay or cancel some of the nuclear construction plans announced by Duke and Progress separately.

"The economics of cheap gas and reduced electricity consumption alone make three new nuclear projects very unrealistic," Clements said.

Duke and Progress already operate seven nuclear plants — one in Florida and six in the Carolinas, including the three-reactor Oconee Nuclear Station on the shores of Lake Keowee.

The combined company will be called Duke Energy and be based in Charlotte.

Its service territory will cover almost all of North Carolina and the central portions of Indiana and Florida as well as small pieces of Ohio and Kentucky.