

BUSINESS

Shareholders OK Duke purchase

Acquisition of Progress Energy to form biggest U.S. electric utility

The Associated Press

CHARLOTTE — Duke Energy Corp. said its purchase of North Carolina rival Progress Energy Inc. is on track to close by the end of the year after shareholders of both companies approved it Tuesday.

Holdings of more than 90 percent of Duke Energy's shares voted in favor of the deal, which was valued at \$13.7 billion when it

was announced in January. More than 95 percent of Progress Energy shares, voted at a special shareholders' meeting in Raleigh on Tuesday were in favor of the merger as well.

The combined company would be the biggest electric utility in the U.S. as measured by number of customers, generation capacity and market value. It would have about 7.1 mil-

lion customers in the Carolinas, Kentucky, Ohio, Indiana and Florida. The company would generate slightly over half of its power with coal; the rest would be generated with a mix of nuclear, natural gas, oil and some renewable resources.

North Carolina regulators still must approve the deal before it can be completed. Utility mergers can be difficult to complete because local regulators often demand rate reductions or impose other conditions on companies

in exchange for approval, forcing the companies to walk away from the deal.

North Carolina regulators are scheduled to hold hearings Sept. 20. The companies have already received approval from some state and federal agencies. Kentucky officials granted conditional approval this month. Rulings are expected this fall from the Federal Energy Regulatory Commission and the Nuclear Regulatory Commission.

Shareholders also voted on a 1-for-3 reverse

stock split and issuance of Duke stock to Progress shareholders. The split is meant to reduce the number of outstanding Duke shares.

Duke CEO Jim Rogers has said the combined company will require a smaller work force and will be able to save \$600 million to \$800 million in fuel costs over the first five years.

Progress CEO Bill Johnson will be president and CEO of the combined company. Rogers will remain executive chairman.