

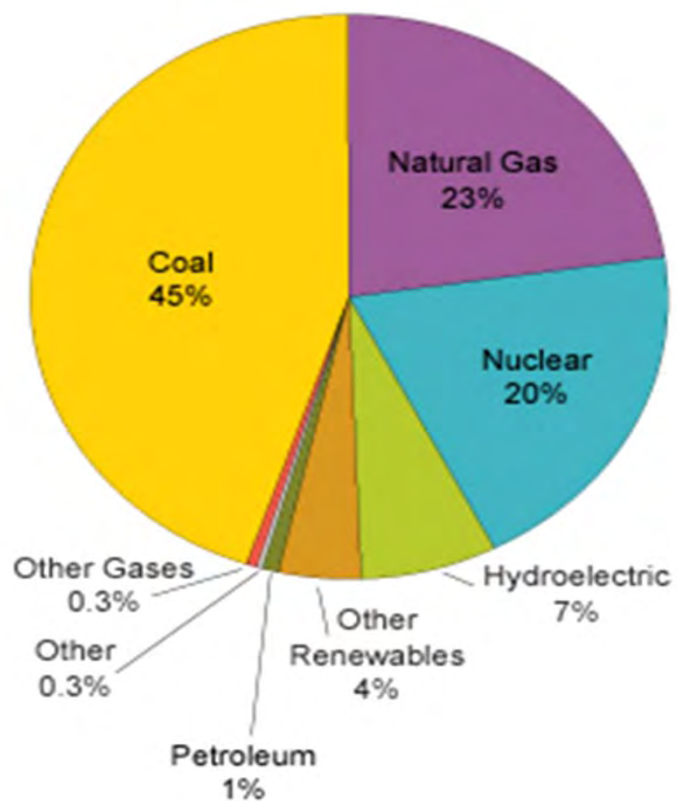
A large, abstract graphic consisting of several overlapping, wavy, blue lines that flow across the upper half of the slide, creating a sense of motion and depth. The lines vary in opacity and color intensity, from light blue to a deep, vibrant blue.

Our Nuclear Energy Future

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May 24, 2011

U.S. Electricity Generation by Fuel



Coal	45%
Natural Gas	23%
Nuclear	20%
Hydroelectric	7%
Other Renewables	4%
Petroleum	1%
Other Gases	0.3%
Other	0.3%

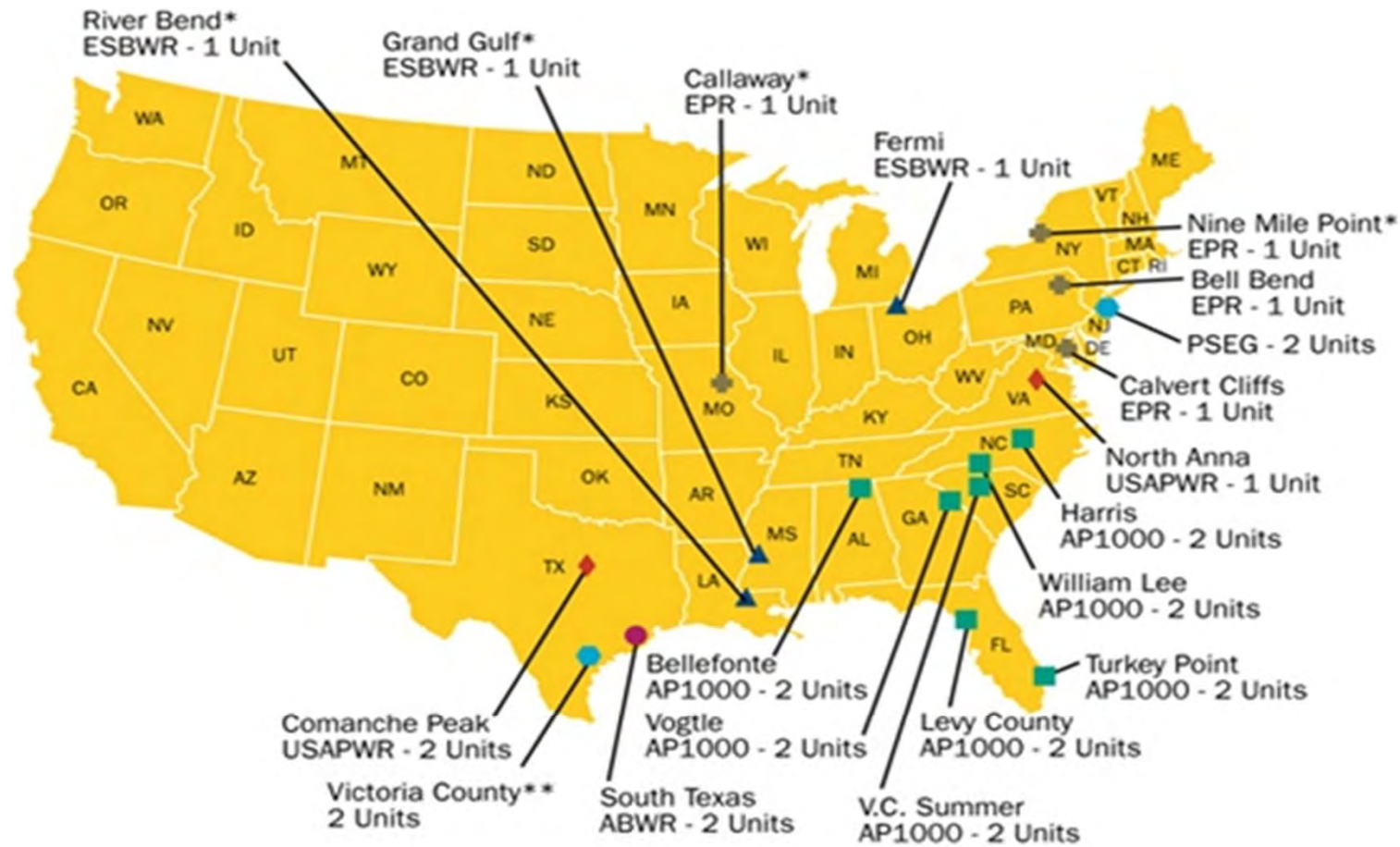
Source: U.S. Energy Information Administration, *Annual Energy Review 2009* (August 2010).

Nuclear Energy – Need for New Generation

Our nation must continue to diversify its generating portfolio to meet future electricity needs and to:

- Address need to modernize generating fleets
- Address environmental issues – decarbonization
- Meet future growth in demand
- Counter fuel price volatility (natural gas)

Proposed New U.S. Nuclear Stations

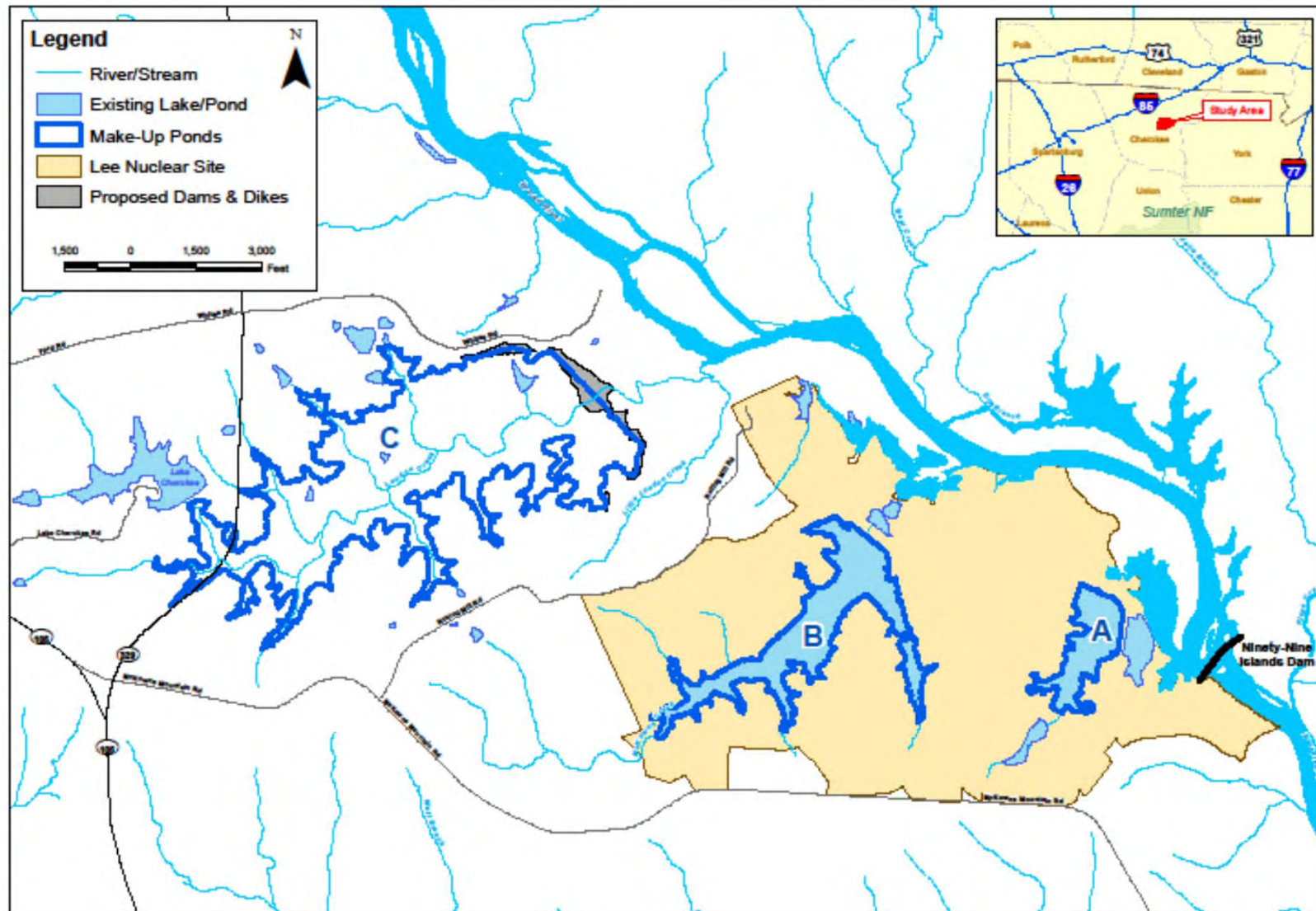


*Review Suspended by Applicant

** COL Application Amended by Applicant to ESP on 03/25/2010

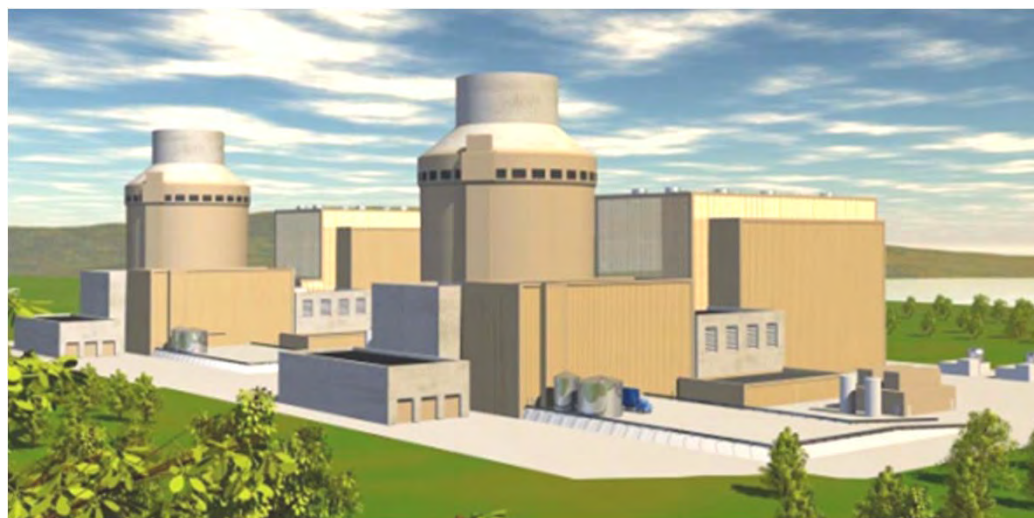
Source: Nuclear Regulatory Commission

Lee Nuclear Site

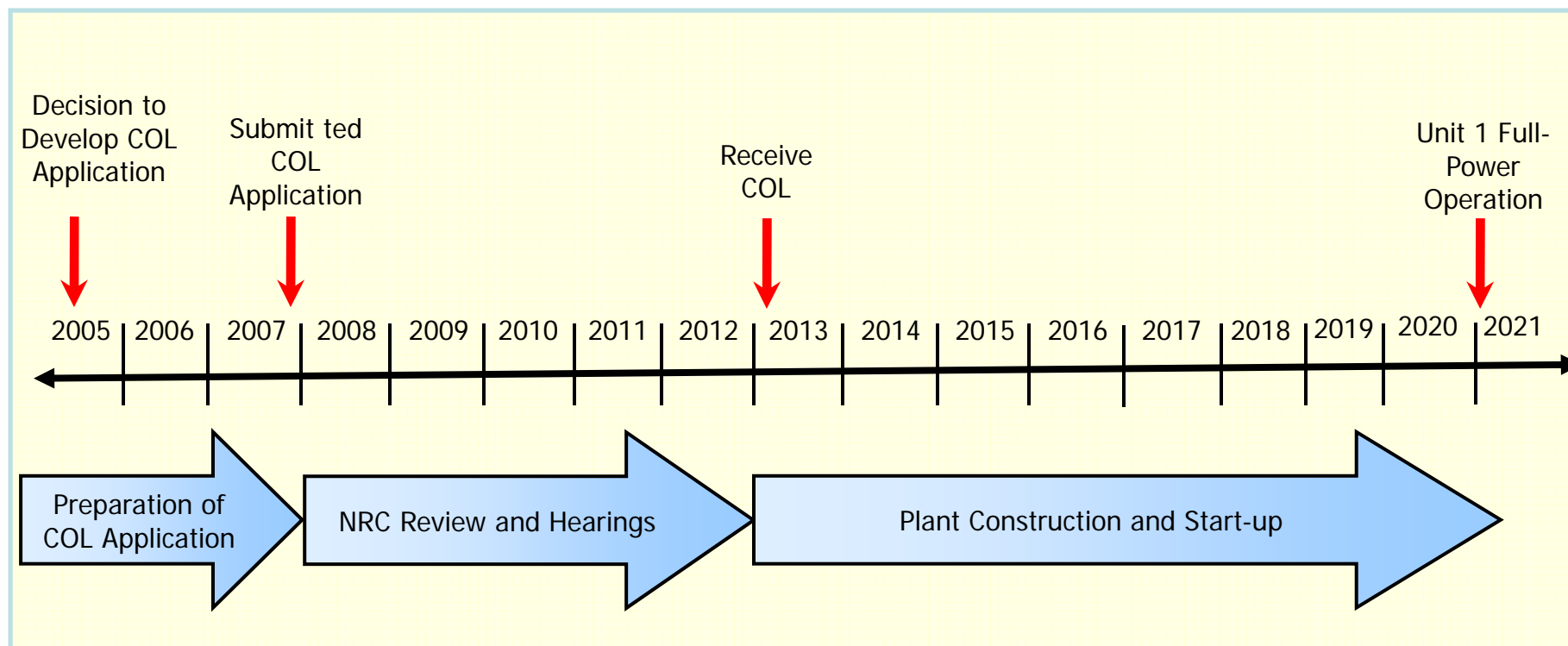


Lee Nuclear Station – Development

- Combined Construction and Operating License (COL) Application
 - Submitted application to Nuclear Regulatory Commission in 2007
 - Working as an industry group on licensing and design activities
 - Anticipate license in 2013



Projected Lee Nuclear Project Timeline

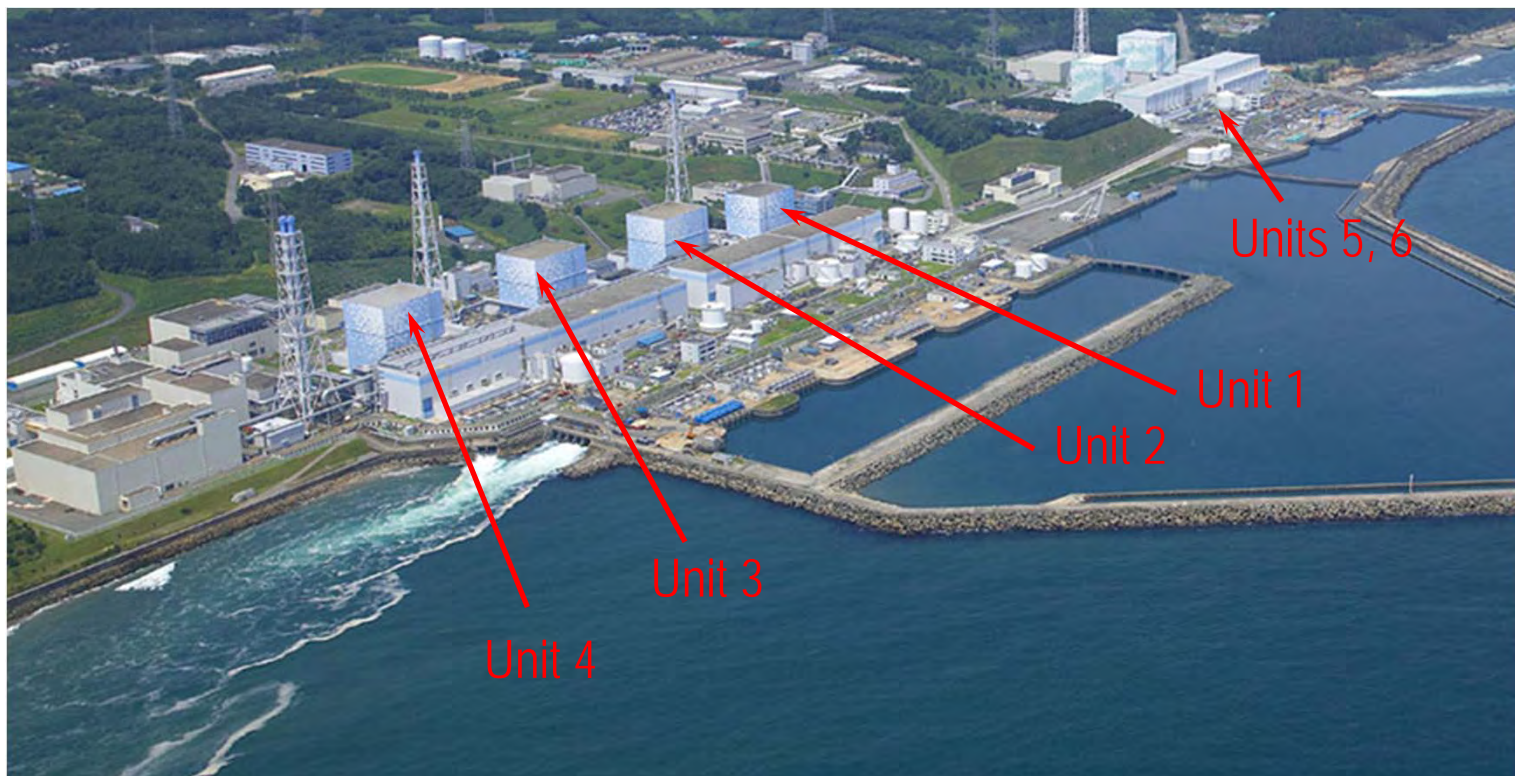


Next Steps

- Continue licensing activities
- Submit key environmental permits
- Continue standard plant design reviews
- Initiate site-specific engineering
- Continue work to support approval of amended project development applications
- Support streamlined legislation of new plant financing cost recovery in North Carolina
- Continue partnership discussions

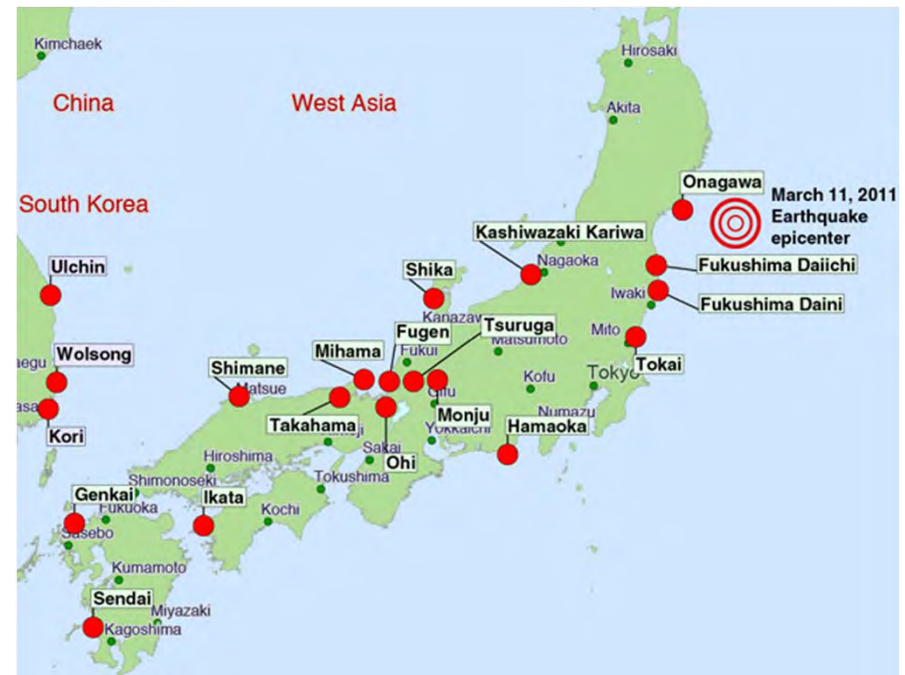
Fukushima Daiichi (TEPCO)

- Nuclear power plant on Japan's east coast, north of Tokyo
- Six boiling water reactors (BWRs)
- First unit began operating in 1970
- Fukushima Daiichi Units 1-3 were operating at the time



March 11, 2011, Earthquake and Accident

- Magnitude 9.0 earthquake occurred off east coast of Japan
 - Plant systems operated as designed to remove reactor decay heat
- Units 1-3 shut down as designed following the earthquake
 - Caused extensive damage to plant systems



U.S. Industry Taking Additional Steps to Ensure Safety

- Short-term: Re-verify readiness to manage extreme events (operators and Nuclear Regulatory Commission)
 - Re-verify each plant's capability to manage major challenges, such as loss of large areas of plant due to natural events, fires, explosions
 - Re-verify each plant's capability to manage loss of off-site power
 - Re-verify capability to mitigate flooding and the impact of floods on systems inside and outside the plant
 - Perform walk downs and inspections of important equipment needed to respond to extreme events

- Long-term:
 - Careful analysis of Japanese accident and how reactors, systems, structures, components, fuel and operators performed
 - Incorporate lessons learned into U.S. reactor designs and operating practices

Future Implications

- Nuclear Regulatory Commission senior-level agency task force conducting comprehensive review of processes/regulations. From May 12 report:
 - “To date the task force has not identified any issues that undermine our confidence in the continued safety and emergency planning of U.S. plants.”
- Longer term regulatory actions anticipated
- Industry groups (Institute of Nuclear Power Operations, World Association of Nuclear Operators, International Atomic Energy Agency, Nuclear Energy Institute) working together to ensure nuclear operators are coordinated in sharing and incorporating lessons learned

New Nuclear

- Current licensing actions proceeding while the event is evaluated and lessons learned are fully understood
- Two combined construction/operating licenses expected late this year or early next year
- Reactor design certifications expected, possibly this year
- Lessons learned from Japan will be incorporated in new build

Your Questions?