JOHN ELNITSKY
Senior Vice President
Ash Basin Strategy

400 South Tryon Street
P.O. Box 1321, ST03I
Charlotte, NC 28201

O: 704-382-4371

December 18, 2014

VIA ELECTRONIC MAIL AND U.S. MAIL

The Honorable Catherine Templeton, Director South Carolina Department of Health and Environmental Control
2600 Bull Street
Columbia, SC 29201

Re: W.S. Lee Steam Station – Primary Ash Basin (State Dam ID: D4887) and Secondary Ash Basin (State Dam ID: D4888)

Dear Director Templeton:

On September 23, 2014, Duke Energy Carolinas, LLC (Duke Energy) communicated its decision to excavate the 1951/1959 inactive ash basin and the ash fill area located to the south of this basin, also referred to as the "borrow pit area". In that communication, Duke Energy also indicated that by year-end it would be submitting a recommended closure strategy for the two active ash basins, referred to as the Primary and Secondary Ash Basins, to the South Carolina Department of Health and Environmental Control (SC DHEC).

This letter serves to notify SC DHEC that Duke Energy has made a determination regarding the long-term strategy for the Primary and Secondary Ash Basins at the W.S. Lee Steam Station. Duke Energy intends to excavate the Primary Ash Basin containing approximately 928,800 tons of ash and the Secondary Ash Basin containing approximately 21,600 tons of ash, as well as the Structural Fill Area containing approximately 846,000 tons of ash, into a lined long-term solution. Based on the design and historical infrastructure performance of the Primary and Secondary Ash Basins, they would require extensive work to make those locations suitable for long-term storage.

Duke Energy anticipates submitting a conceptual closure plan, including the design of a potential on-site lined landfill, to SC DHEC for the W.S. Lee Steam Station that addresses all ash stored in the Primary and Secondary Ash Basins and the Structural Fill Area, by December 15, 2015. Duke Energy will continue to work with SC DHEC to ensure continued safe operations of these basins until they are fully closed.

The W.S. Lee Steam Station officially retired as a coal plant on November 6, 2014. Unit 3 will be converted to burn natural gas, and a separate 750 megawatt natural gas combined cycle plant will be constructed at the site to continue meeting customers' needs in the Upstate.

Duke Energy is committed to the health, safety and welfare of employees, contractors, and the public, and to protecting the environment and natural resources. This coal ash excavation seeks to minimize public and environmental impacts.

If you have further questions on this matter, please contact me.

Respectfully submitted,

John Elnitsky
Senior Vice President

cc: Cari P. Boyce
Erin B. Culbert
George T. Hamrick
Jon Kerin
Alan Madewell
Garry D. Miller
Michael R. Olive
Paige H. Sheehan
Harry Sideris
James R. Wells
Clark Gillespy
Mike Ruhe