

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
13CVS0011032

STATE OF NORTH CAROLINA *ex rel.*
NORTH CAROLINA DEPARTMENT OF
ENVIRONMENT AND NATURAL
RESOURCES,

Plaintiff,

v.

SIERRA CLUB, WATERKEEPER ALLIANCE,
and CAPE FEAR RIVER WATCH, INC.,

Plaintiffs-Intervenors,

v.

DUKE ENERGY PROGRESS, INC.,

Duke Energy.

**DUKE ENERGY PROGRESS, INC.'S
ANSWER TO COMPLAINT**

(JURY TRIAL DEMANDED)

Defendant Duke Energy Progress, Inc., (“Duke Energy”), by counsel, for its Answer to the Complaint filed by Plaintiff State of North Carolina *ex rel.* North Carolina Department of Environment and Natural Resources (“DENR”), states as follows:

PARTIES

1. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 1 of the Complaint, and therefore denies those allegations.

2. Duke Energy admits the allegations in Paragraph 2 of the Complaint.

3. Duke Energy admits the allegations in Paragraph 3 of the Complaint.

4. Duke Energy admits that it was doing business at the six facilities set forth in Paragraph 3 of the Complaint at the time of the filing of the Complaint and for various periods of

time prior to then as to each of the 6 facilities. Except as admitted, the allegations of Paragraph 4 of the Complaint are denied.

JURISDICTION AND VENUE

5. Duke Energy admits that the Complaint purports to allege an action arising under N.C. Gen. Stat. §§ 7A-245 and 143-215.6C. Duke Energy admits that this Court has jurisdiction over the subject-matter of this case, but denies that the Complaint states a valid claim.

6. Duke Energy is not contesting venue in this action, but denies that it has violated any of the applicable laws and regulations alleged by Plaintiff in the Complaint.

GENERAL ALLEGATIONS

Applicable Law and Regulations

7. Paragraph 7 contains a legal conclusion to which no response is required. Further, the provisions of the cited statute speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 7 of the Complaint.

8. Paragraph 8 contains a legal conclusion to which no response is required. Further, the provisions of the cited statute speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 8 of the Complaint.

9. Paragraph 9 contains a legal conclusion to which no response is required. Further, the provisions of the cited statute speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 9 of the Complaint.

10. Paragraph 10 contains a legal conclusion to which no response is required. Further, the provisions of the cited statute speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 10 of the Complaint.

11. Paragraph 11 contains a legal conclusion to which no response is required. Further, the provisions of the cited statute speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 11 of the Complaint.

12. Paragraph 12 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 12 of the Complaint.

13. Paragraph 13 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 13 of the Complaint.

14. Paragraph 14 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 14 of the Complaint.

15. Paragraph 15 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 15 of the Complaint.

16. Paragraph 16 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 16 of the Complaint.

17. Paragraph 17 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 17 of the Complaint.

18. Paragraph 18 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 18 of the Complaint.

19. Paragraph 19 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 19 of the Complaint.

20. Paragraph 20 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 20 of the Complaint.

21. The allegations in Paragraph 21 of the Complaint refer to documents that speak for themselves. Duke Energy denies any allegations that vary from or contradict the terms of the documents.

22. Paragraph 22 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 22 of the Complaint.

23. Paragraph 23 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 23 of the Complaint.

24. Paragraph 24 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 24 of the Complaint.

25. Paragraph 25 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 25 of the Complaint.

26. Paragraph 26 contains a legal conclusion to which no response is required. Further, the provisions of the cited 2L Rules speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 26 of the Complaint.

27. Paragraph 27 contains a legal conclusion to which no response is required. Further, the provisions of the cited statute speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 27 of the Complaint.

28. Paragraph 28 contains a legal conclusion to which no response is required. Further, the provisions of the cited statute speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 28 of the Complaint.

29. Paragraph 29 contains a legal conclusion to which no response is required. Further, the provisions of the cited statute speak for themselves. To the extent a response is required, Duke Energy denies the allegations in Paragraph 29 of the Complaint.

30. Paragraph 30 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 30 of the Complaint.

Factual and Legal Allegations

All 6 Facilities

31. Duke Energy admits allegations in Paragraph 31 of the Complaint, except that it implemented a voluntary groundwater monitoring program at Mayo Steam Electric Plant in 2008, Cape Fear Steam Electric Plant in 2007, Lee Steam Electric Plant in 2007, and Weatherspoon Steam Electric Plant in 2006. Duke Energy also implemented a voluntary groundwater monitoring program at Sutton Electric Plant in 2006.

32. Duke Energy admits the allegations in Paragraph 32 of the Complaint, except that Duke Energy denies the allegations as to the Sutton Electric Plant.

33. Duke Energy admits that DWQ approved Duke Energy's proposed locations of compliance boundary wells and monitoring wells at each of the 6 Facilities on the following dates:

- (1) ***Mayo Steam Electric Plant*** — December 22, 2010;
- (2) ***Roxboro Steam Electric Plant*** — December 22, 2010;
- (3) ***Cape Fear Steam Electric Plant*** — January 13, 2011;
- (4) ***Lee Steam Electric Plant*** — January 7, 2011 (active) and January 27, 2012 (inactive);
- (5) ***Weatherspoon Steam Electric Plant*** — November 1, 2010; and
- (6) ***Sutton Electric Plant*** — March 17, 2011 and October 24, 2012.

34. Duke Energy admits that it constructed compliance monitoring wells at the compliance boundaries of the Coal Ash Ponds at each of the 6 Facilities on the following dates:

- (1) ***Mayo Steam Electric Plant*** — October 2008, September and November 2010;
- (2) ***Roxboro Steam Electric Plant*** — October and November 2010;
- (3) ***Cape Fear Steam Electric Plant*** — July, August, September, November and December 2010;

- (4) *Lee Steam Electric Plant* — June and December 2010, September and October 2011 and September 2012;
- (5) *Weatherspoon Steam Electric Plant* — August 2010; and
- (6) *Sutton Electric Plant* —1986 to 2011.

Duke Energy denies the remaining allegations in Paragraph 34 of the Complaint.

35. Duke Energy admits the allegations in Paragraph 35 of the Complaint.

36. Duke Energy admits the allegations in the first sentence of Paragraph 36 of the Complaint. The remaining allegations in Paragraph 36 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

37. The allegations in Paragraph 37 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

38. The allegations in Paragraph 38 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

39. Paragraph 39 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 39 of the Complaint.

40. Duke Energy admits that Plaintiff attached charts to its Complaint that purportedly reflect the analytical results of groundwater samples at the Facilities. Duke Energy further admits that 5 of the 6 Facilities referenced in Paragraph 40 of the Complaint began submitting data from groundwater sampling activities in 2010. Duke Energy is without

sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 40 of the Complaint, and therefore denies those allegations.

41. The allegations in Paragraph 41 of the Complaint refer to documents that speak for themselves.

Mayo Steam Electric Plant

42. Duke Energy admits the allegations in Paragraph 42 of the Complaint.

43. Duke Energy admits that the Mayo Steam Electric Plant NPDES Permit has been renewed since its issuance and that the current NPDES Permit was re-issued on October 14, 2009. Duke Energy further admits that its predecessor, Progress Energy, submitted a renewal application on September 28, 2011 and Duke Energy is legally operating the Mayo Steam Electric Plant. As to the terms of the NPDES permit, the allegations in Paragraph 43 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

44. The allegations in Paragraph 44 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

45. The allegations in Paragraph 45 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

46. The allegations in Paragraph 46 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

47. The allegations in Paragraph 47 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 47 of the Complaint, and therefore denies those allegations.

48. The allegations in Paragraph 48 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the NPDES Permit.

49. The allegations in Paragraph 49 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations in Paragraph 49 that vary from or contradict the terms of the NPDES Permit.

50. The allegations in Paragraph 50 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

51. The allegations in Paragraph 51 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

52. The allegations in Paragraph 52 of the Complaint refer to documents that speak for themselves. Duke Energy denies any allegations that vary from or contradict the terms of the documents.

53. The allegations in Paragraph 53 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

54. The allegations in Paragraph 54 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

Unpermitted Seeps at the Mayo Steam Electric Plant

55. The allegations in Paragraph 55 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

56. The allegations in Paragraph 56 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

57. The allegations in Paragraph 57 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

58. Duke Energy admits that there are engineered discharges from toe-drains of the Ash Pond, which are designed to ensure the safety of the dam. The allegations in Paragraph 58 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document, and to the extent that Paragraph 58 speaks to other matters, Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 58 of the Complaint, and therefore denies those allegations.

59. Paragraph 59 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 59 of the Complaint.

Exceedances of the 2L Groundwater Standards at the Mayo Steam Electric Plant

60. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 60 of the Complaint, and therefore denies those allegations.

61. The allegations in Paragraph 61 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

62. The allegations in Paragraph 62 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

63. The allegations in Paragraph 63 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

64. The allegations in Paragraph 64 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

65. Duke Energy admits that it is working with DENR regarding the Mayo Steam Electric Plant. Duke Energy denies the remaining allegations in Paragraph 65 of the Complaint.

Roxboro Steam Electric Plant

66. Duke Energy admits the allegations in Paragraph 66 of the Complaint.

67. Duke Energy admits that the Roxboro Steam Electric Plant NPDES Permit has been renewed since its issuance and that the current NPDES Permit was re-issued on April 9, 2007. Duke Energy further admits that its predecessor, Progress Energy, submitted a renewal application on October 10, 2011 and Duke Energy is legally operating the Roxboro Steam Electric Plant. As to the terms of the NPDES permit, the allegations in Paragraph 67 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

68. The allegations in Paragraph 68 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

69. The allegations in Paragraph 69 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations in Paragraph 69 that vary from or contradict the terms of the NPDES Permit.

70. The allegations in Paragraph 70 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

71. The allegations in Paragraph 71 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

72. The allegations in Paragraph 72 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

73. The allegations in Paragraph 73 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

74. The allegations in Paragraph 74 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

75. The allegations in Paragraph 75 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

76. The allegations in Paragraph 76 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

77. The allegations in Paragraph 77 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

78. The allegations in Paragraph 78 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

79. The allegations in Paragraph 79 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

80. The allegations in Paragraph 80 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

81. The allegations in Paragraph 81 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

82. The allegations in Paragraph 82 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

83. The allegations in Paragraph 83 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

Unpermitted Seeps at the Roxboro Steam Electric Plant

84. The allegations in Paragraph 84 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

85. The allegations in Paragraph 85 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

86. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 86 of the Complaint, and therefore denies those allegations.

87. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 87 of the Complaint, and therefore denies those allegations.

88. Paragraph 88 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 88 of the Complaint.

Exceedances in Violation of 2L Groundwater Standards at the Roxboro Steam Electric Plant

89. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 89 of the Complaint, and therefore denies those allegations.

90. The allegations in Paragraph 90 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 90 of the Complaint, and therefore denies those allegations, except that Duke Energy admits that monitoring well CW-5 is located at the compliance boundary of the Ash Pond Treatment System at the Roxboro Steam Electric Plant.

91. Paragraph 91 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 91 of the Complaint.

**Other Exceedances of 2L Groundwater Standards
at the Roxboro Steam Electric Plant**

92. The allegations in Paragraph 92 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

93. The allegations in Paragraph 93 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

94. The allegations in Paragraph 94 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

95. The allegations in Paragraph 95 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

96. Duke Energy admits that it is working with DENR regarding the Roxboro Steam Electric Plant. Duke Energy denies the remaining allegations in Paragraph 96 of the Complaint.

Cape Fear Steam Electric Plant

97. Duke Energy admits the allegations in Paragraph 97 of the Complaint.

98. Duke Energy admits that the Cape Fear Steam Electric Plant NPDES Permit has been renewed since its issuance and that the current NPDES Permit was re-issued on July 22, 2011, with an effective date of September 1, 2011. As to the terms of the NPDES permit, the allegations in Paragraph 98 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

99. The allegations in Paragraph 99 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

100. The allegations in Paragraph 100 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

101. The allegations in Paragraph 101 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

102. The allegations in Paragraph 102 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

103. The allegations in Paragraph 103 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

104. The allegations in Paragraph 104 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

105. The allegations in Paragraph 105 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

106. The allegations in Paragraph 106 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

107. The allegations in Paragraph 107 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

Unpermitted Seeps at the Cape Fear Steam Electric Plant

108. The allegations in Paragraph 108 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

109. The allegations in Paragraph 109 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

110. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 110 of the Complaint, and therefore denies those allegations.

111. Duke Energy admits that it collected samples during a NPDES Permit Compliance Evaluation Inspection on September 23, 2009, and that the results from Duke Energy's samples were inconsistent with DWQ's purported results. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 111 of the Complaint, and therefore denies those allegations.

112. Paragraph 112 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 112 of the Complaint.

**Exceedances in Violation of 2L Groundwater Standards
at the Cape Fear Steam Electric Plant**

113. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 113 of the Complaint, and therefore denies those allegations.

114. The allegations in Paragraph 114 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 114 of the Complaint, and therefore denies those allegations.

115. Duke Energy admits the allegations in Paragraph 115 of the Complaint, except that it states that Monitoring well CMW-6 is located approximately 250 feet southeast of the East Ash Pond. Duke Energy further states that Monitoring well CMW-8 is located adjacent to the compliance boundary and the Cape Fear River.

116. The allegations in Paragraph 116 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 116 of the Complaint, and therefore denies those allegations.

117. The allegations in Paragraph 117 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 117 of the Complaint, and therefore denies those allegations.

118. Duke Energy admits the allegations in Paragraph 118 of the Complaint.

119. Paragraph 119 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 119 of the Complaint.

**Other Exceedances of 2L Groundwater Standards
at the Cape Fear Steam Electric Plant**

120. The allegations in Paragraph 120 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 120 of the Complaint, and therefore denies those allegations, except that Duke Energy admits that Arsenic is naturally occurring.

121. The allegations in Paragraph 121 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

122. The allegations in Paragraph 122 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

123. The allegations in Paragraph 123 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy admits that monitoring well CW-3 is located at the northwest corner of the compliance boundary of the West Ash Pond Treatment System at the Cape Fear Steam Electric Plant, adjacent to the 1956 Semi-Active Ash Pond.

124. The allegations in Paragraph 124 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

125. The allegations in Paragraph 125 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 125 of the Complaint, and therefore denies those allegations.

126. Duke Energy admits that it is working with DENR regarding the Cape Fear Steam Electric Plant. Duke Energy denies the remaining allegations in Paragraph 126 of the Complaint.

Lee Steam Electric Plant

127. Duke Energy admits the allegations in Paragraph 127 of the Complaint.

128. Duke Energy admits that the Lee Steam Electric Plant NPDES Permit has been renewed since its issuance and that the current NPDES Permit was re-issued on October 14, 2009, with an effective date of November 1, 2009 and an expiration date of May 31, 2013. As to the terms of the NPDES permit, the allegations in Paragraph 128 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

129. The allegations in Paragraph 129 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

130. Duke Energy admits that it submitted a renewal application to DENR on November 20, 2012 and that it is legally operating the Lee Steam Electric Plant. Duke Energy denies any remaining allegations in Paragraph 130 of the Complaint.

131. The allegations in Paragraph 131 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

132. The allegations in Paragraph 132 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

133. The allegations in Paragraph 133 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

134. The allegations in Paragraph 134 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 134 of the Complaint, and therefore denies those allegations.

Unpermitted Seeps at the Lee Steam Electric Plant

135. The allegations in Paragraph 135 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

136. The allegations in Paragraph 136 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

137. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 137 of the Complaint, and therefore denies those allegations.

138. Paragraph 138 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 138 of the Complaint.

Exceedances in Violation of the 2L Groundwater Standards at the Lee Steam Electric Plant

139. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 139 of the Complaint, and therefore denies those allegations.

140. The allegations in Paragraph 140 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 140 of the Complaint, and therefore denies those allegations.

141. The allegations in Paragraph 141 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke

Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 141 of the Complaint, and therefore denies those allegations.

142. The allegations in Paragraph 142 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 142 of the Complaint, and therefore denies those allegations.

143. Paragraph 143 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 143 of the Complaint.

Other Exceedances of 2L Groundwater Standards at the Lee Steam Electric Plant

144. The allegations in Paragraph 144 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

145. The allegations in Paragraph 145 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

146. The allegations in Paragraph 146 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

147. Duke Energy admits that it is working with DENR regarding the Lee Steam Electric Plant. Duke Energy denies the remaining allegations in Paragraph 147 of the Complaint.

Weatherspoon Steam Electric Plant

148. Duke Energy admits the allegations in Paragraph 148 of the Complaint.

149. Duke Energy admits that the Weatherspoon Steam Electric Plant NPDES Permit has been renewed since its issuance and that the current NPDES Permit was re-issued on November 20, 2009, with an effective date of January 1, 2010. As to the terms of the NPDES

permit, the allegations in Paragraph 149 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

150. The allegations in Paragraph 150 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy further denies the allegations in Paragraph 150 of the Complaint to the extent they characterize the cooling pond as an ash pond.

151. The allegations in Paragraph 151 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy further states that on April 12, 2012, the Weatherspoon Steam Electric Plant NPDES Permit was modified to delete all requirements associated with Outfall 002.

152. The allegations in Paragraph 152 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy further states that on June 15, 2011, the Weatherspoon Steam Electric Plant NPDES Permit was modified to rescind the Stormwater Permit Requirements.

153. The allegations in Paragraph 153 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy further denies the allegations in Paragraph 153 of the Complaint to the extent they characterize the cooling pond as an ash pond.

154. The allegations in Paragraph 154 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy further states that on April 12, 2012, the Weatherspoon Steam Electric Plant NPDES Permit was modified to delete all requirements associated with Outfall 002.

155. The allegations in Paragraph 155 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy further states that on June 15, 2011, the Weatherspoon Steam Electric Plant NPDES Permit was modified to rescind the Stormwater Permit Requirements.

**Exceedances in Violation of 2L Groundwater Standards
at the Weatherspoon Steam Electric Plant**

156. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 156 of the Complaint, and therefore denies those allegations. Duke Energy further denies the allegations in Paragraph 156 of the Complaint to the extent they characterize the cooling pond as an ash pond.

157. The allegations in Paragraph 157 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 157 of the Complaint, and therefore denies those allegations.

158. Paragraph 158 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 158 of the Complaint. Duke Energy further denies the allegations in Paragraph 158 of the Complaint to the extent they characterize the cooling pond as an ash pond.

**Other Exceedances of 2L Groundwater Standards
at the Weatherspoon Steam Electric Plant**

159. The allegations in Paragraph 159 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 159 of the Complaint, and therefore denies those allegations,

except that it admits that Well BW-1 is located at the compliance boundary of the Ash Pond Treatment System at the Weatherspoon Plant, approximately 500 feet northwest of the active ash pond.

160. The allegations in Paragraph 160 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

161. Duke Energy admits that it is working with DENR regarding the Weatherspoon Steam Electric Plant. Duke Energy denies the remaining allegations in Paragraph 161 of the Complaint.

Sutton Electric Plant

162. Duke Energy admits the allegations in Paragraph 162 of the Complaint.

163. Duke Energy admits that the Sutton Electric Plant NPDES Permit has been renewed since its issuance and that the current NPDES Permit was re-issued on December 2, 2011, with an effective date of January 1, 2012. As to the terms of the NPDES permit, the allegations in Paragraph 163 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

164. The allegations in Paragraph 164 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

165. The allegations in Paragraph 165 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

166. The allegations in Paragraph 166 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

167. The allegations in Paragraph 167 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 167 of the Complaint, and therefore denies those allegations.

168. The allegations in Paragraph 168 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

169. The allegations in Paragraph 169 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

170. The allegations in Paragraph 170 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

171. The allegations in Paragraph 171 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

172. The allegations in Paragraph 172 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

173. The allegations in Paragraph 173 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

174. The allegations in Paragraph 174 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

175. The allegations in Paragraph 175 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

176. The allegations in Paragraph 176 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document.

Exceedances in Violation of 2L Groundwater Standards at the Sutton Electric Plant

177. The allegations in the first and third sentences Paragraph 177 of the Complaint refer to a document that speaks for itself. Duke Energy denies any allegations that vary from or contradict the terms of the document. Duke Energy admits the allegations in the second and fourth sentences of Paragraph 177.

178. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 178 of the Complaint, and therefore denies those allegations.

179. The allegations in Paragraph 179 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke

Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 179 of the Complaint, and therefore denies those allegations.

180. The allegations in Paragraph 180 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 180 of the Complaint, and therefore denies those allegations.

181. The allegations in Paragraph 181 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 181 of the Complaint, and therefore denies those allegations.

182. The allegations in Paragraph 182 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 182 of the Complaint, and therefore denies those allegations.

183. The allegations in Paragraph 183 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 183 of the Complaint, and therefore denies those allegations.

184. The allegations in Paragraph 184 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 184 of the Complaint, and therefore denies those allegations.

185. The allegations in Paragraph 185 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 185 of the Complaint, and therefore denies those allegations.

186. The allegations in Paragraph 186 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 186 of the Complaint, and therefore denies those allegations.

187. The allegations in Paragraph 187 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 187 of the Complaint, and therefore denies those allegations.

188. The allegations in Paragraph 188 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 188 of the Complaint, and therefore denies those allegations.

189. Paragraph 189 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 189 of the Complaint.

**Risk Factors Due to Exceedances of the 2L Groundwater Standards
at the Sutton Electric Plant**

190. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 190 of the Complaint, and therefore denies those allegations.

191. Duke Energy is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 191 of the Complaint, and therefore denies those allegations.

Other Exceedances of the 2L Groundwater Standards at the Sutton Electric Plant

192. The allegations in Paragraph 192 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

193. The allegations in Paragraph 193 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

194. The allegations in Paragraph 194 of the Complaint refer to a chart that purports to speak for itself. Duke Energy denies that it violated the 2L Groundwater Standards.

195. Duke Energy admits that it is working with DENR regarding the Sutton Electric Plant. Duke Energy denies the remaining allegations in Paragraph 195 of the Complaint.

CLAIMS FOR RELIEF

196. Duke Energy incorporates by reference its response to Paragraphs 1 through 195 of the Complaint as though fully set forth herein.

197. Paragraph 197 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 197 of the Complaint.

198. Paragraph 198 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 198 of the Complaint.

199. Paragraph 199 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 199 of the Complaint.

200. Paragraph 200 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 200 of the Complaint.

201. Paragraph 201 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 201 of the Complaint.

202. Paragraph 202 contains a legal conclusion to which no response is required. To the extent a response is required, Duke Energy denies the allegations in Paragraph 202 of the Complaint.

203. Duke Energy denies the allegations in Paragraph 203 of the Complaint. Duke Energy further denies that Plaintiff is entitled to any other type of relief in this action.

204. Duke Energy denies the allegations in Paragraph 204 of the Complaint.

PRAYER FOR RELIEF

Duke Energy denies that Plaintiff is entitled to any of the relief requested in the Prayer for relief or any other type of relief in this action.

FIRST DEFENSE

Plaintiff's Amended Complaint fails to state a claim upon which relief can be granted and should be dismissed pursuant to Rule 12(b)(6) of the North Carolina Rules of Civil Procedure.

SECOND DEFENSE

Duke Energy's discharges, if any, are specifically and impliedly authorized by permits issued by Plaintiff to Duke Energy, and by the permit shield.

THIRD DEFENSE

Duke Energy's seeps, if any, are specifically and impliedly authorized by permits issued by Plaintiff to Duke Energy.

FOURTH DEFENSE

Plaintiff failed to plead facts sufficient to support a claim under any state statute or common law cause of action.

FIFTH DEFENSE

Plaintiff sustained no damages as a result of the actions, conduct, and/or behavior of Duke Energy, its agents, servants, and/or employees.

SIXTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of laches.

SEVENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of equitable estoppel.

EIGHTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the applicable statute of limitations.

RESERVATION OF RIGHTS AND NON-WAIVER

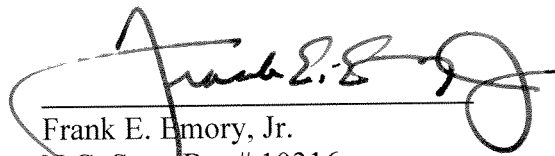
Duke Energy reserves the right to assert such other and additional defenses available to them at such time and to such extent as is warranted and as may be revealed through disclosure, discovery and the factual development in this matter.

WHEREFORE, having fully answered Plaintiff's Complaint, Defendant Duke Energy Progress, Inc. prays that the Court grant it the following relief:

1. That it enter judgment in favor of Duke Energy and against Plaintiff on all of Plaintiff's claims;
2. That Plaintiff has and recovers nothing from Duke Energy;
3. That it tax the costs of this action against Plaintiff;
4. That Duke Energy recovers its reasonable expenses and attorneys' fees incurred in defending this action to the extent allowed by law;
5. A trial by jury on all issues; and
6. That it grant such other and further relief as it deems just and proper.

This 31st day of March, 2014.

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing **DUKE ENERGY PROGRESS, INC.'S ANSWER TO COMPLAINT** upon the parties in this lawsuit by United States mail, first class, postage prepaid and addressed as follows:

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This 31st day of March, 2014.

