



REPORT OF INTERVIEW

DATE: August 23, 2019

TIME: 9:30 AM

LOCATION: Duke Energy
550 S. Tryon Street
Charlotte, NC

PARTICIPANTS: Lynn Good, Chairman, President and CEO, Duke Energy
Julie S. Janson, Chief Legal Officer, Duke Energy
Vijay Bondada, VP for Litigation, Duke Energy
Marcy Selle, Outside Counsel, Womble Bond Dickinson, LLP
Jim Cooney, Outside Counsel, Womble Bond Dickinson, LLP
Tom Beers, EIS Investigator
Kevin Greene, EIS Investigator

On the above date and time, Eagle Intel Services Investigators Tom Beers and Kevin Greene conducted an interview of Lynn Good, Chairman, President and Chief Executive Office for Duke Energy, at the Duke Energy headquarters. This interview was previously arranged by and through Jim Cooney, outside counsel for Duke Energy, at the request of EIS investigators. The following information was provided by Good unless otherwise indicated:

1. Good acknowledged that she was aware that the North Carolina General Assembly had contracted private investigators to investigate some issues regarding the permitting process of the Atlantic Coast Pipeline (ACP). She also was familiar with documents, prepared by James Cooney, Duke's outside Counsel, referred to as the "Whitepaper". She was aware that the Whitepaper was a collection of facts, compiled by Cooney from information he obtained from Duke, including interviews of Duke Employees. She understood the Whitepaper outlined facts and events relating to the permitting process of the ACP, the establishment of a Mitigation Project Memorandum of Understanding (MOU) between Roy Cooper, Governor of North Carolina and the ACP and also provided information relating to the settlement of a dispute between Duke and the solar industry, referred to as the "Nameplate Settlement". Good stated that she was familiar with the MOU and reasons it was created and was familiar with the issues relating to the Nameplate Settlement.
2. The investigators offered their assessment that the facts outlined in the Whitepaper indicated that the ACP resisted requests to establish a fund to promote economic development related to the pipeline before Good's Meeting with Governor Cooper on November 30, 2017, but that Duke then began to work on an agreement for such a fund after the meeting. The investigators also offered their assessment that there was a dispute between the solar developers and

Duke concerning the nameplate provision, but that Duke was not moving towards settlement of that matter. However, Duke re-engaged and worked towards a settlement after the November 30, 2017, meeting with Governor Cooper.

3. Good stated that Duke did not change positions on these issues. She said, since the early stages of the ACP, Duke has always considered how the ACP will provide economic development. Good said, Duke believed that low cost natural gas from the ACP would be available to promote economic development through the Piedmont distribution system. Additionally, executives from Duke held discussions with business leaders and associations in the path of the ACP, regarding the creation of a fund to build access to the ACP for businesses and farms. The creation of a fund was a topic of discussion well before the meeting with Governor Cooper on November 30, 2017. Good said that Governor Cooper had expressed concern about the economic development promised by the ACP earlier in his term.
4. Good was directed to page 17 of the Whitepaper, which states, that as of November 22, 2017, “Mr. Fountain indicated that the pipeline was a fundamentally sound project standing alone and did not require such a trust fund to realize the economic benefits. Similar conversations occurred between Ms. Hawkins and Mr. Eudy.”
5. Good was also directed to the Whitepaper, where on page 19, during her meeting with Cooper, it states “Ms. Good told Governor Cooper that the ability to have access to low-cost natural gas in an abundant supply in Eastern North Carolina would immediately benefit customers (including businesses and manufacturers) through the Piedmont distribution system which, in turn, would lead to economic development and necessarily attract other businesses.”
6. Good said that no statement in the Whitepaper indicated that Duke was opposed to a Fund to provide access to natural gas. She said in her meeting with Cooper that she never said Duke opposed a Fund. She discussed with the Governor the economic benefits of the ACP’s ability to provide natural gas, to Eastern North Carolina through the Piedmont distribution system.
7. Good said Cooper’s request, in their November 30th meeting, to consider the creation of a fund by the end of December 2017, was a catalyst for Duke to focus and expedite the economic development aspects of the ACP, specifically by creating a fund that would be utilized to pay expenses to install gas connections to the ACP. Duke believed the fund would benefit Duke and the ACP partnership in the long run by this promotion of economic development and the additional sales of natural gas to businesses that could connect to the ACP.

8. In their November 30th meeting Cooper also requested Good settle the nameplate dispute. Good said, prior to the discussing with Cooper, Duke wanted to resolve this dispute. Duke was concerned with potential litigation, but also wanted it settled in order to resolve longstanding interconnection issues. Good said it was ultimately resolved though the Public Staff's involvement and was approved by the North Carolina Utilities Commission. Again, the request by Cooper to settle the nameplate issue (also by the end of December 2017) was a catalyst to resolve the matter.
9. Good was directed to the Whitepaper where it indicated, during the meeting with Governor Cooper, Ms. Good informed Governor Cooper, settling the nameplate dispute, could potentially decrease the savings created by HB 589 by \$180 Million. Good said she doesn't recall Governor Cooper's response to this statement.
10. Good was directed to a transcript from an interview of Ken Eudy conducted by WRAL Reporter Travis Fain. In this interview Eudy described his conversation with Duke Vice President David Fountain, prior to the November 30, 2017 meeting between Good and Cooper, regarding the nameplate dispute. The following portion of the transcript was read allowed to Good:
11. "So, I said David, "Why don't y'all come back? You're fixing to get sued. The solar industry said they were going to take it to the Utilities Commission and then go to Superior Court. Why don't y'all come back and work this out? And at first David says "no, we're not interested. We've been doing this for a year, they need to take yes for an answer and be thankful for what they've got." That's not an answer that the governor was particularly happy with. (Fain Interview of Eudy, Pg. 4)
12. Good said she didn't speak with Fountain regarding this statement on the nameplate settlement. However, she wouldn't characterize the claimed statement of Fountain to Eudy as Duke's position on the matter. Good maintained that Duke wanted to resolve the nameplate dispute well before her meeting with Cooper on November 30, 2017.
13. Good was directed to facts in the Whitepaper regarding her meeting with Governor Cooper on November 30, 2017 where Governor Cooper indicated that the creation of a fund for economic development and the nameplate dispute were some of the issues before him and that he wanted to resolve these with Duke and to do so before the end of December. The Whitepaper indicated that Ms. Good's understanding was that, from a timing perspective, the economic

development issues associated with the pipeline and the nameplate dispute needed to be resolved within the same timeframe as a final decision on the issuance of the permits.

14. Good said she did not ask why Governor Cooper wanted these issues settled by the end of December. She did not know if Cooper's request correlated to the timeframe that the ACP believed they needed permits to begin felling trees, which is listed in the Whitepaper on page 15 as late December 2017.
15. Good said she did not know and did not ask why Cooper wanted the issues settled within the same timeframe as the issuance of the ACP permits. She further expressed that having deadlines is important.
16. Good insisted that the ACP partners and Duke did not believe that the creation of the Mitigation Fund and Settlement of the Nameplate Dispute, as requested by Cooper, had any bearing on the issuance or timing of the 401 permit for the ACP. Based on the volume of information supplied and the overall process, the ACP partners and Duke believed that the ACP was entitled to the permits. Good said Duke did not and would not pay for permits.
17. Good said Duke takes requests of the governors of all states seriously. She said Duke has to work with the governors in the states where Duke operates and also with the customers in those states. When Governor Cooper, during their meeting on November 30th, asked Good to meet with his advisors to create a fund, she agreed. When he asked her to settle the nameplate dispute, she agreed. There were no conditions or implied threats of delaying the pipeline by Governor Cooper. Good said the requests by Governor Cooper were catalysts to expedite things that Duke already wanted to do.
18. Good was asked about a statement by Cooper during their meeting November 30, 2017, where it was stated in the Whitepaper, "Governor Cooper indicated to Ms. Good that there was "balking" at DEQ over the issuance of permits for the pipeline, and in particular over issues of environmental justice." Good said she did not know what Cooper meant when he said this. There was no further conversation during the meeting where he explained "balking by DEQ over environmental justice".
19. Good was directed to information listed in the Whitepaper that indicated the initial draft of the Mitigation Fund Agreement was for an amount of \$55 Million, \$50 Million for economic development and \$5 Million for environmental mitigation. The investigators pointed out that this initial draft named "Mitigation Project Agreement" was presented to the Governor's Office on December 13, 2017. On December 20, 2017, Kathy Hawkins met with Ken Eudy concerning the terms of the agreement. After this meeting, Hawkins sought internal review of the

proposals. A new draft of the agreement was created and it was named Mitigation Project Memorandum of Understanding (MOU.) In this draft, the funds provided thereunder would be designated for environmental mitigation, economic development, and renewable energy. A change also made the counterparty “the State of North Carolina by and through the Office of the Governor” rather than The State of North Carolina.

20. Good said the ACP left the administration of the fund to the State North Carolina. The change making the fund payable by and through the Governor was a decision that was out of the purview of the ACP and was a State decision.
21. Good said the fund was created for the sole purpose of economic development. This was to be achieved by providing future access, including gas lines and connections, for businesses and farmers, to the gas from the pipeline.
22. Good did not know why, on December 20, 2017, the purpose of the fund was changed to include renewable energy and does not recall reviewing this draft. The investigators represented that Duke accepted this change.
23. When asked about the possible reason to change the purpose of the fund to include renewable energy, Good said that renewable energy was a part of Duke’s overall energy production along with, nuclear, hydroelectric and natural gas, and was an important part of a diversified portfolio.
24. Good did not know how renewable energy related to the purpose of the fund, to create connections to the ACP, because she was not involved in the particulars of the negotiation and did not read each draft of the agreement. She said she was not briefed on each draft of the MOU. The details and negotiations of the MOU would have been handled by her staff, including Kathy Hawkins, Frank Yoho and David Fountain. Duke’s attorneys also provided a review of the MOU.
25. Good did state that she briefed the Duke Board of Directors on the general parameters of the MOU and likely did so for the nameplate settlement as well. The minutes of the board meetings in mid-December 2017 and late February 2018 would reflect the briefing.
26. Good was asked about a phone call conversation, on January 17, 2018, with Governor Cooper. Good said she has limited recollection of this phone call. She remembers that during the call, Governor Cooper requested to increase the mitigation fund by \$2.8 Million. Good believes that Cooper wanted to match the amount in the Virginia agreement.

27. The investigators asked about text messages, received from the Governor's Office, which show that Lloyd Yates texted Kristi Jones on January 16, 2018 and asked about the slow progress of the 401 permit. During this text string, the phone call meeting was arranged between Cooper and Good to discuss the slow progress of the 401 Permit.
28. Good said she did discuss the progress of the permit but does not recall the specifics of the conversation.
29. Good said during the call she was never told by Governor Cooper that the permit would be issued.
30. When Good was asked when she believed the permit should have been issued, she said she believed the permit should have been issued in May or June of 2017. Good said she believed the permit for the ACP was scrutinized more than other permits. She said by January of 2018, they had done everything that was required and were entitled to the permit.
31. Good was asked if she believed the Governor had control over the permit. Good responded that the Governor does have control through his cabinet positions including DEQ, Commerce and others.
32. Good was asked if there could have been a consequence to not providing the \$57.8 Million fund to the Governor. Good stated that she works with other Governors and that Duke does business within several states and values the customers within those states. The fund represents common sense business.