

**TRANSMISSION PLANNING  
DATA EXCHANGE AND CONFIDENTIALITY AGREEMENT**

This Transmission Planning Data Exchange and Confidentiality Agreement (the “Agreement”) is dated as of November \_\_\_\_, 2008 by and between: Duke Energy Carolinas, LLC (“Duke”); Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. (“Progress”), North Carolina Electric Membership Corporation (“NCEMC”), ElectriCities of North Carolina (“ElectriCities”) and PJM Interconnection, L.L.C., (“PJM”) which may hereinafter be referred to individually as a “Party” and collectively as the “Parties”.

WHEREAS, the Parties each plan and operate bulk transmission systems within the United States Eastern Interconnection which are directly interconnected with each other;

WHEREAS, in order to facilitate the development of the transmission plans of Duke, Progress, NCEMC, ElectriCities, and PJM, and in order to enhance the effectiveness of the existing regional transmission planning processes that the Parties participate in;

NOW, THEREFORE, the Parties have executed this Agreement setting forth their current intent and understanding.

1. The Parties hereby agree to exchange, on a periodic and ongoing basis, in a manner to be mutually agreed to by the Parties, necessary and appropriate data and information with regard to:

- (a) Development of assumptions to perform transmission assessments and planning studies, including transmission model updates and completed system enhancement information;
- (b) Identification of potential limiting elements in the Party’s respective transmission systems as identified in transmission assessment and planning studies;
- (c) Identification of proposed and planned system enhancements and upgrades, as identified in each Party’s respective transmission assessment and planning studies;
- (d) Other data identified by either Party as useful and appropriate for disclosure to the other Party for conducting transmission assessments and planning studies.

2. Within five (5) days of the effective date of this Agreement, each Party will designate and notify the other Parties of a primary contact person, and an alternate contact person to act in the absence or unavailability of the primary contact person, to serve as a central point of contact for the exchange of information hereunder.

3. (a) All data and information described in Paragraph 1 above that is shared among the Parties pursuant to this Agreement, whether oral, written, recorded, electronic or software format, and regardless of the manner in which it is furnished, shall be treated as “Non-Confidential Information,” unless a Party specifically designates such data or information as “Confidential” or “Proprietary,” or which under all circumstances should be treated as confidential or proprietary, and either clearly marks such data and information as confidential or notifies the Party orally at the time of the exchange. All Confidential Information shall remain the property of the disclosing Party and nothing contained herein shall be construed as granting or conferring upon any Party any rights to the Confidential Information, by license or otherwise.

(b) The Parties agree to use the Confidential and Non-Confidential data and information only for the purposes set forth in this agreement and not for any other purpose. The Parties agree to keep in confidence and not to disclose, distribute, disseminate or publish any Confidential Information or any part thereof, without the prior written permission of the disclosing Party. In addition, each Party shall ensure that each of its employees, agents, consultants, subcontractors and its subcontractors’ employees, attorneys and accountants, and their employees and agents, to whom Confidential Information is given or exposed (“Receiving Persons”), agree to be bound by the terms and conditions contained herein. Each Party shall be liable for any breach of this Agreement by any of its Receiving Persons.

(c) All Confidential Information shall be treated by the Parties in a manner consistent with the Federal Energy Regulatory Commission’s Standards of Conduct set forth in 18 C.F.R. §§ 358 *et seq.* To that end, each Party shall prohibit the sharing of Confidential Information in any manner that would be prohibited under the rules and regulations of the Federal Energy Regulatory Commission.

(d) If a governmental authority requests or requires a Party to disclose any Confidential Information, such Party shall provide each disclosing Party who provided such Confidential Information with prompt Notice of such request or requirement so that the disclosing Parties may seek an appropriate protective order or such other action as it deems appropriate to protect against the release of Confidential Information. Notwithstanding the absence of such a protective order, a Party shall disclose only such Confidential Information which it is legally required to disclose. Each Party shall use reasonable efforts to obtain reliable assurances that confidential treatment will be accorded to Confidential Information required to be disclosed. If a Party is required to disclose any Confidential Information under this Section, a Party supplying such Confidential Information such Party shall have the right to immediately suspend supplying such Confidential Information to the disclosing Party. In that event, the Parties shall meet as soon as practicable in an effort to resolve any and all issues associated with the required disclosure of such Confidential Information, and the likelihood of additional

disclosures of such Confidential Information. If the Parties are unable to resolve those issues, the supplying Party shall have the right terminate this Agreement immediately.

(e) All Confidential Information shall be returned by the receiving Parties to the disclosing Party promptly upon request. Upon termination or expiration of this Agreement, a Party shall use reasonable efforts to destroy, erase, delete, or return to the disclosing Party any and all written and electronic Confidential Information. In no event shall a receiving Party retain copies of any Confidential Information unless authorized to do so in writing by the disclosing Party; provided that, receiving Parties may retain such Confidential Information only to the extent it has already been embedded into the receiving Parties' assessments and planning studies.

(f) Certain information exchanged by the Parties may be Critical Energy Infrastructure Information (CEII) as that term is defined by the Federal Energy Regulatory Commission's regulations at 18 C.F.R. 388.113. Such information includes, but is not limited to power flow information, files used in conjunction with power flows such as contingency and monitored element files, and information included in FERC Form No. 715 Parts 2, 3, and 6. Each individual that has access to PJM CEII shall fully comply with and abide by the PJM CEII process. Each individual that has access to either Duke and / or Progress CEII information shall fully comply with and abide by the Duke and / or Progress CEII process prior to sharing any Duke and / or Progress CEII under this Agreement.

(g) In the event information qualifies as both Confidential Information and CEII as defined in this Agreement, then the more restrictive of the provisions applicable to either CEII or Confidential Information shall apply. Each Party shall be liable for any breach of this Agreement by any of its Receiving Persons.

(h) Each Party acknowledges that remedies at law are inadequate to protect against breach of the covenants and agreements in Article 3 herein and hereby in advance agrees, without prejudice to any rights to judicial relief that it may otherwise have, to the granting of equitable relief, including injunction, in the supplying Party's favor without proof of actual damages. In addition to the equitable relief referred to in this section (i), a supplying party shall only be entitled to recover from a receiving party any and all gains wrongfully acquired, directly or indirectly, from a receiving Party's unauthorized disclosure of Confidential Information or CEII.

4. Any Party may terminate this Agreement upon sixty (60) days written notice to the other Parties.

5. No amendment of or modification to this Agreement shall be made or become enforceable except by a written instrument duly executed by all of the Parties.

6. A notice ("Notice") shall be effective only if in writing and delivered by: hand; overnight courier; United States mail; or FAX. Electronic mail is not effective Notice. Notice shall be deemed to have been given: (a) when delivered to the recipient

by hand, overnight courier, or FAX or (b) if delivered by United States mail, on the postmark date. Notice shall be addressed as follows:

PJM: Vincent P. Duane  
Vice President and General Counsel  
PJM Interconnection, L.L.C.  
955 Jefferson Avenue  
Valley Forge Corporate Center  
Norristown, PA 19403-2497  
Tel: (610) 666-4367  
Fax: (610) 666-4281

Progress: Caren Anders  
TITLE  
Progress Energy Corporation  
Address  
Raleigh, NC  
Tel.: (919)  
Fax: (919)

Duke: Ron Snead  
VP, Power Delivery Asset Management  
Duke Energy Corporation  
Address  
Cincinnati, Ohio  
Tel: (513)  
Fax: (513)

NCEMC: Name  
Title  
North Carolina Electric Membership Corporation  
Address  
Address  
Tel:  
Fax:

Electricities: Name  
Title  
Electricities of North Carolina  
Address  
Address  
Tel:  
Fax:

A Party may change its designated recipient of Notices, or its address, from time to time, by giving Notice of such change.

7. This Agreement shall be governed by the laws of Delaware, and venue shall attach in the courts of Delaware, notwithstanding any conflicts of law provisions thereof.

The Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

**PJM INTERCONNECTION L.L.C.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**DUKE ENERGY CAROLINAS, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CAROLINA POWER & LIGHT COMPANY  
d/b/a PROGRESS ENERGY CAROLINAS**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**North Carolina Electric Membership Corporation**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ElectriCities of North Carolina**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_