

PROGRESS ENERGY, INC.

OPERATIONS AND NUCLEAR OVERSIGHT COMMITTEE CHARTER

PURPOSE AND COMPOSITION

The Committee on Operations and Nuclear Oversight (“Committee”) shall be a standing committee of the Board of Directors (“Board”) with oversight of operations, environmental, health and safety issues. The Committee shall review the Company’s load forecasts and plans for generation, transmission and distribution, fuel procurement and transportation, customer service, energy trading, term marketing, and other Company operations; and shall ensure that Company policies, procedures, and practices relative to the protection of the environment and the health and safety of employees, customers, contractors, and the public are sufficient to achieve and maintain compliance with applicable laws and regulations. The Committee shall advise the Board and make recommendations for the Board’s consideration regarding operational, environmental, health and safety-related issues. In recognition of the special nature of nuclear operations, the Committee will place emphasis on its oversight of this area relative to the operating nuclear fleet. The Finance Committee will have oversight responsibility for financial risk management activities.

The Committee is composed of at least three members of the Board who are independent within the meaning of the Listing Standards of the New York Stock Exchange (NYSE). Committee members shall be appointed and/or removed by the Board. The Board shall designate one of the members as the Committee’s Chair, who shall preside over the Committee meetings and report Committee actions to the Board.

DUTIES AND RESPONSIBILITIES

Duties and responsibilities of the Committee shall include, but are not limited to, the following:

1. Ensure the Company’s policies, procedures, and practices relating to the health and safety of employees, customers, contractors, and the public are sufficient to achieve and maintain compliance with applicable laws and regulations through reports by, and inquiry of, management.
2. Ensure the Company’s policies, procedures, and practices relating to protection of the environment are sufficient to achieve and maintain compliance with applicable laws and regulations through reports by, and inquiry of, management.
3. Review and assess the Company’s environmental, health and safety goals and objectives for reasonableness and appropriateness.

4. Review the Company's environmental, health and safety compliance status and status against goals and objectives.
5. Review nuclear safety performance to ensure the protection of public health and safety with the assistance and input of the Company's Nuclear Safety Oversight Committee.
6. Review the operational performance of the Company's business functions, including energy supply, energy delivery, fuel procurement and transportation, and energy trading and term marketing.
7. Review the Company's demand-side and supply-side resource plans to meet current and future load growth estimates.
8. Review capital projects to ensure alignment with utilities' resource planning strategy, compliance with regulatory requirements, and prudent project performance.
9. Review management's plans for development of major transmission facilities.
10. Review energy trading and term marketing activities (unrelated to risk management).
11. Receive reports from management on safety and environmental litigation and/or regulatory proceedings, which are material to the Company.
12. Receive reports from management on environmental, health and safety public policy issues that may impact the Company's operations or financial condition.
13. Conduct or authorize investigations into or studies of matters within the scope of the Committee's duties and responsibilities. Retain, at the Company's expense, outside advisors to carry out these investigations or studies as it deems necessary.
14. Conduct an annual self-assessment of the Committee's performance and the adequacy of this Charter.

MEETINGS

The Committee shall hold at least two meetings each year to accomplish the aforementioned duties and responsibilities. The Committee's Chair, or the Chair of the Board, may call additional meetings as needed. The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate. Appropriate officers of the Company shall provide staff support to the Committee.

Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of the actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.