



December 12, 2005

Brian Brice
19 West Hargett Street, Suite 600
Raleigh, North Carolina 27601

Re: Western Wake Partners Sewage Plant


Dear Brian:

As we discussed last Friday, I'm sending you this letter in response to letters from Paul Barth, as president of your client, New Hill Community Association ("New Hill Association"), to Tom Trocheck dated November 10, 2005, and December 7, 2005, as well as inquiries made by you to various people at Progress Energy Carolinas ("Progress Energy") regarding the decision by Western Wake Partners to locate a sewage plant in or near New Hill.

Last July, Tom and Marty Clayton from Progress Energy met with representatives of New Hill Association (Paul and Dave Bristol) in a spirit of good faith and cooperation to listen to the concerns of the New Hill Association regarding the site decisions by Western Wake Partners. However, those decisions and the process regarding them are controlled by Western Wake Partners, not Progress Energy. To the extent New Hill Association has an issue with the decision or with the process, it should address those concerns directly to Western Wake Partners.

During our conversation, you had also asked if New Hill Association could have another meeting with Progress Energy to discuss the potential viability of locating the proposed sewage plant on Progress Energy's Shearon Harris Nuclear Plant property. Given multiple Progress Energy concerns, including security, safety and infrastructure requirements at the Harris Plant, we believe such a meeting would not be productive and we respectfully decline.

As we discussed, please direct any correspondence or inquiries regarding this matter to me at the above address.

Sincerely,

Christopher Cox
Associate General Counsel

cc: Tom Trocheck
Marty Clayton
Paul Barth ✓