

PROGRESS ENERGY INC
Form 425
July 28, 2011

Filed by Duke Energy, Inc.
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Under the Securities Exchange Act of 1934

Subject Company: Progress Energy, Inc.
Commission File No.: 333-172899

The following letter was mailed on July 28, 2011 to certain Duke Energy shareholders.

Duke Energy Corporation

550 South Tryon Street

Charlotte, NC 28202

July 27, 2011

Dear Fellow Shareholder:

By now you should have received the Joint Proxy Statement/Prospectus and related proxy materials for our Special Meeting of Shareholders, to be held on August 23, 2011. At the Special Meeting, we will consider and vote on our proposed merger with Progress Energy.

As a Duke Energy shareholder, you are specifically being asked to approve (1) a 1-for-3 reverse split of our common stock, which is required for us to complete the merger, (2) the issuance of our common stock to Progress Energy shareholders in connection with the merger and (3) a proposal to permit us to adjourn our Special Meeting if necessary to solicit additional proxies if there are not sufficient votes to approve either of the first two proposals.

Our Board of Directors unanimously determined that the merger agreement, the reverse stock split and the share issuance are advisable and in the best interests of Duke Energy and its shareholders and recommends that you vote **FOR** the approval of each of the merger-related proposals described above. In addition to the other information contained in the Joint Proxy Statement/Prospectus, our Board of Directors asks you to consider the following key expected benefits of the merger before casting your vote:

a utility with unmatched financial and operational scale;

an improved business risk profile, including a larger, more diverse and better positioned regulated utility business; and

an enhanced ability to grow the regulated business, provide consistent and predictable earnings and cash flows, support dividend payments and maintain balance sheet strength.

The Special Meeting is scheduled to be held on Tuesday, August 23, 2011. Our records indicate that you have not yet voted. Your vote is important, and we encourage you to **VOTE TODAY**. A proxy card is enclosed for your convenience. Please see the instructions on the enclosed proxy card for the methods that are available for you to cast your vote. If you need assistance voting your shares or have any questions regarding the proposed merger, please contact our proxy solicitor, Geogeson Inc., toll-free at (800) 509-0984.

Thank you, in advance, for your prompt attention to this very important matter.

Sincerely,

James E. Rogers

Chairman, President and CEO

Cautionary Statements Regarding Forward-Looking Information

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words or phrases such as may, will, should, anticipate, estimate, expect, project, plan, believe, target, forecast, and other words and terms of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. Duke Energy cautions readers that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed merger involving Duke Energy and Progress Energy, including future financial and operating results, Progress Energy's or Duke Energy's plans, objectives, expectations and intentions, the expected timing of completion of the transaction, and other statements that are not historical facts. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include risks and uncertainties relating to: the ability to obtain the requisite Duke Energy and Progress Energy shareholder approvals; the risk that Progress Energy or Duke Energy may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger; the risk that a condition to closing of the merger may not be satisfied; the timing to consummate the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time on merger-related issues; general worldwide economic conditions and related uncertainties; the effect of changes in governmental regulations; and other factors discussed or referred to in the Risk Factors section of each of Duke Energy's and Progress Energy's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC). These risks, as well as other risks associated with the merger, are more fully discussed in the joint proxy statement/prospectus that is included in the Registration Statement on Form S-4 that was filed by Duke Energy with the SEC in connection with the merger. Additional risks and uncertainties are identified and discussed in Progress Energy's and Duke Energy's reports filed with the SEC and available at the SEC's website at www.sec.gov. Each forward-looking statement speaks only as of the date of the particular statement and Duke Energy undertakes no obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information and Where to Find It

In connection with the proposed merger between Duke Energy and Progress Energy, Duke Energy filed with the SEC a Registration Statement on Form S-4 that includes a joint proxy statement of Duke Energy and Progress Energy and that also constitutes a prospectus of Duke Energy. The Registration Statement was declared effective by the SEC on July 7, 2011. Duke Energy mailed the definitive joint proxy statement/prospectus to its shareholders on or about July 11, 2011. **Duke Energy urges investors and shareholders to read the Registration Statement, including the joint proxy statement/prospectus that is a part of the Registration Statement, as well as other relevant documents filed with the SEC, because they contain important information.** You may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC's website (www.sec.gov). You may also obtain these documents, free of charge, from Duke Energy's website (www.duke-energy.com) under the heading Investors and then under the heading Financials/SEC Filings. You may also obtain these documents, free of charge, from Progress Energy's website (www.progress-energy.com) under the tab Our Company by clicking on Investor Relations, then by clicking on Corporate Profile and then by clicking on SEC Filings.