



September 28, 2009

Mr. Stephen Hoffman
US Environmental Protection Agency (5304P)
1200 Pennsylvania Avenue, NW
Washington, DC 20460

RE: Carolina Power & Light d/b/a Progress Energy Carolinas, Inc. (PEC)
Mayo Steam Electric Plant – Roxboro, NC
Coal Combustion Waste Impoundment Dam Assessment Report

Dear Mr. Hoffman:

This letter is in response to the letter of September 14, 2009 from Matt Hale, Director, Office of Resource Conservation and Recovery. This format shall present the recommendations that elicit a response and our applicable responses.

The following information should be noted:

- The EPA is currently evaluating and developing regulatory options for Coal Combustion Byproducts (CCBs). This rulemaking activity should produce proposed regulations before the end of this year. The final regulation promulgated as the result of this activity could significantly impact the way coal ash is managed in the future.
- In North Carolina our coal ash impoundments will shortly be subject to NCGS §143-215.23 Dam Safety Law (NC Law). As we develop our interaction with the state regulatory agency, we will be evaluating whether or not some of the older dams are considered to be dams as they do not impound or divert water. As for those dams that will remain under the purview of the NC Law, we will be working with the state regulatory agency to assess the dams' structural integrity and need for further studies.
- Finally, EPA recently announced they will revise the effluent guidelines for the Steam Electric Power Generation Industry. It is likely that these guidelines will impose restrictions on the sluicing of ash and the management of ash ponds.

These expected new requirements could very well change the way we approach using and maintaining our current ash impoundments. Significant construction projects on a dam that has been in place for decades and has not demonstrated any signs of structural issues should be carefully considered until the above mentioned regulatory activities have been resolved. PEC is

keenly aware of the TVA Kingston incident and the safety and environmental concerns it has generated. It is with this backdrop that we present our responses.

In regard to the 14 calendar day turnaround for our response - to assess comments, make decisions, develop plans, and develop schedules will take much longer than 14 days to compile. Therefore our comments will reflect our best efforts to respond at this time.

1.2 RECOMMENDATIONS

1.2.2 Recommendations Regarding the Hydrologic/Hydraulic Safety

None appear warranted at this time; however, a dam break analysis should be performed and incorporated into existing emergency dam failure procedures.

PEC Response - We will assess the need for a dam break analysis. We will conduct this assessment within 60 days and if warranted we will contract for the analysis to be performed by the end of the second quarter in 2010.

1.2.6 Recommendations Regarding the Maintenance and Methods of Operation

It is recommended that:

- Precaution be taken to not mow the embankment when wet or to take necessary measures to not create ruts perpendicular to the embankment slope;
- Grass, or similar shallow rooted herbaceous vegetative cover, needs to be established in bare areas where soil is visible; and
- Under drain outlets be protected with small-animal guards attached with a hinge allowing for unobstructed flow (a removable screen placed over the front of the weir box is an acceptable alternative providing it is affixed with a mechanism providing for unobstructed flow should clogging occur).

PEC Response – PEC will take necessary precautions when mowing. PEC has sown grass seed on applicable areas and has installed animal guards.

1.2.8 Recommendations Regarding Continued Safe and Reliable Operation

Perform dam break analysis and develop an emergency action plan in the event of dam failure.

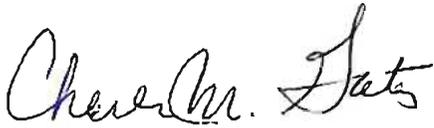
PEC Response – Refer to response to 1.2.2. Also, an emergency action plan currently exists (EMG-MAYC-00002 - Mayo Steam Plant Ash Pond and Reservoir Dams Emergency Notification) and will be modified as needed.

We appreciate the gravity of concerns regarding ash ponds in the wake of the TVA Kingston incident. We are working to better understand the EPA's assessment, since it does not reflect our own evaluations or those conducted at regular intervals by a third-party inspector. However, we take seriously the recommendations to protect the structural stability and functionality of these important units, as reflected by the above responses.

Mr. Charles M. Gates

If you have questions concerning this matter, please contact Mr. Fred Holt in Environmental Health & Safety Services at (919) 546-5286.

Regards,

A handwritten signature in cursive script that reads "Charles M. Gates". The signature is written in black ink and is positioned above the typed name.

Mr. Charles M. Gates
Vice President, Power Generation Carolinas
Progress Energy Carolinas, Inc.