

Democracy North Carolina

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For Immediate Release: July 16, 2013

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McCrory's Sweetheart Deal with Duke Energy

In a remarkable sweetheart deal anchored with \$1 million in campaign contributions, Gov. Pat McCrory's administration yesterday agreed to settle a lawsuit against Duke Energy's pollution of drinking water supplies in western North Carolina. Millions of tons of ash residue from Duke's power plants have leaked contaminants into Mountain Island Lake near Charlotte and the French Broad River near Asheville.

The problems have been known for years, but McCrory's Department of Environment and Natural Resources signed an agreement that delays remedial action, calls for more study of the pollution, and fines Duke a piddling \$99,112. Given Duke's \$19.6 billion in 2012 operating revenues, that's the equivalent of fining a person with a \$60,000 salary a total of 30 cents.

Under the agreement, Duke receives amnesty for its previous pollution, can continue leaching contaminants into the water, and gets to decide when its research shows that the contamination is significant enough to address. Gov. McCrory is largely turning over his responsibility to protect the public's health to his former employer. The agreement is subject to 30 days of public comment before it can become effective.

Here are news stories from the *Charlotte Observer* and *Asheville Citizen-Times*:

<http://www.charlotteobserver.com/2013/07/15/4166607/duke-energy-state-to-settle-ash.html>

<http://blogs2.citizen-times.com/outdoors/2013/07/15/nc-proposes-coal-ash-lawsuit-settlement-with-duke-energy/>

The cozy relationship between Duke Energy and the McCrory administration becomes clearer when you follow the political money.

In addition to working at Duke for nearly 30 years, holding its stock, and recruiting several Duke executives into his administration, McCrory has greatly benefitted from the political contributions of Duke Energy and Progress Energy, which is now part of Duke. In fact, he received over \$300,000 in direct contributions for his 2008 and 2012 gubernatorial campaigns from Duke-related donors, plus a major Republican committee that spent millions to help elect him, received an additional \$761,800 from Duke and Progress Energy. That adds up to more than \$1 million from Duke-related donors that has directly or indirectly helped McCrory's political career in the last several years.

In addition, McCrory's assistant secretary at NCDENR, former House member Mitch Gillespie, and Attorney General Roy Cooper have both received contributions from Duke and Progress Energy PACs and executives, although in much smaller amounts.

Here are some basic numbers for direct campaign donations:

To Pat McCrory during Jan. 2008-Dec. 2012

From Duke & Progress Energy employees, former employees and spouses: \$308,836

From Duke Energy PAC and Progress Energy PAC: \$24,000

Total for McCrory: \$332,836

To Mitch Gillespie during Jan. 2000-Dec. 2012

From Duke & Progress Energy employees, former employees and spouses: \$775

From Duke Energy PAC and Progress Energy PAC: \$32,000

Total for Gillespie: \$32,775

To Roy Cooper during Jan. 2000-Dec. 2012

From Duke & Progress Energy employees, former employees and spouses: \$44,594

From Duke Energy PAC and Progress Energy PAC: \$37,000

Total for Cooper: \$81,594

Grand total is \$447,205

In addition, the Republican Governors Association was very active in supporting Pat McCrory during the 2008 and 2012 elections with “independent” advertising and electioneering. It spent \$4.8 million supporting his 2008 campaign and \$5.6 million for his 2012 election, or a total of \$10.4 million. During this time, from July 2008 to November 2012, the Duke Energy Corporation donated \$656,800 to the Republican Governors Association and Progress Energy donated an additional \$105,000 for a total of \$761,800. It’s difficult to track exactly which gubernatorial race the utilities’ money was spent for, but the money obviously helped RGA’s ability to spend as such a high level in North Carolina for McCrory’s 2008 and 2012 campaigns.