NEWS RELEASE

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**Duke Energy announces first post-merger quarterly earnings**

- ***Third quarter 2012 adjusted diluted earnings per share (EPS) were $1.47, compared with $1.50 for the third quarter 2011***
- ***Reported diluted EPS for third quarter 2012 was $0.85, compared to $1.06 for the third quarter 2011***
- ***Company is on pace to achieve its 2012 adjusted diluted earnings guidance range of $4.20 to $4.35 per share***

CHARLOTTE, N.C. – Duke Energy today announced third quarter earnings that for the first time reflect its merger with Progress Energy.

Third quarter 2012 adjusted diluted EPS was $1.47, compared to $1.50 for the third quarter of 2011. Reported diluted EPS for the third quarter 2012 was $0.85, compared to $1.06 for the same period last year. Last year's quarterly results have been adjusted to reflect the one-for-three stock split that occurred just prior to the merger closing on July 2, 2012.

Reported results include special items that are excluded from the company's adjusted diluted EPS results. Special items for the third quarter 2012 primarily include $0.42 per share in charges related to the merger's closing, and $0.17 per share in impairment

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charges related to the company's Edwardsport, Ind., Integrated Gasification Combined Cycle (IGCC) project. Special items for the third quarter 2011 primarily included $0.30 per share of impairment charges related to Edwardsport as well as $0.12 per share of emission allowance impairment charges.

On an adjusted earnings basis, Duke Energy continued to see strength in its regulated businesses in the third quarter of 2012. Revised customer rates, principally resulting from the company's modernization program, helped offset less favorable weather and the expected reduced earnings from International Energy and Commercial Power.

International Energy was affected by unfavorable average foreign exchange rates, while Commercial Power's reduced earnings were principally due to the new market-based Electric Security Plan (ESP) in Ohio.

The earnings contribution from the inclusion of Progress Energy's regulated utility operations in the Carolinas and Florida was substantially offset by dilution related to the issuance of additional shares in connection with the merger.

"Our strong quarterly performance keeps us on track to achieve our targeted 2012 adjusted diluted EPS guidance range of $4.20 to $4.35," said Jim Rogers, chairman, president and CEO.

"We recently celebrated the first 100 days as the 'new' Duke Energy and are coming together as one stronger, more efficient organization," he added. "Our employees are focused on delivering on our merger commitments to customers, regulators and shareholders. We're off to a great start."

## BUSINESS UNIT RESULTS

The discussion below of third-quarter results includes adjusted segment income, which is a non-GAAP financial measure. The tables on pages 23 through 26 present a reconciliation of reported results to adjusted results.

### U.S. Franchised Electric and Gas (USFE&G)

USFE&G recognized third-quarter 2012 adjusted segment income of $907 million, compared to $472 million in the third quarter 2011, an increase of $0.62 per share.

USFE&G's increased quarterly results were primarily driven by the addition of Progress Energy's regulated utility operations in the Carolinas and Florida (+$0.55 per share). Additionally, quarterly results were higher due to increased pricing and riders (+$0.12 per share) principally related to the implementation of revised customer rates at Duke Energy Carolinas, energy efficiency programs, and lower governance and operating and maintenance costs (+$0.01 per share).

These results were partially offset by less favorable weather (-$0.06 per share).

### International Energy

International Energy recognized third-quarter 2012 adjusted segment income of $103 million, compared to $115 million in the third quarter 2011, a decrease of $0.02 per share.

International Energy's quarterly results decreased primarily due to unfavorable average foreign currency exchange rates (-$0.01 per share).

### Commercial Power

Commercial Power recognized third-quarter 2012 adjusted segment income of $31

million, compared to $74 million in the third quarter 2011, a decrease of $0.06 per share.

Commercial Power's quarterly results decreased primarily due to lower results for the Midwest coal generation fleet (-$0.06 per share) resulting from the new market-based ESP in Ohio, partially offset by the ESP's non-bypassable stability charge. The new market-based ESP became effective Jan. 1, 2012.

**Other**

On an adjusted basis, Other primarily includes corporate interest expense not allocated to the business units, results from Duke Energy's captive insurance company, other investments, and income tax levelization adjustments.

Other recognized a third-quarter 2012 adjusted net expense of $16 million, compared to income of $5 million in the third quarter 2011, a decrease of $0.03 per share. Other's results decreased primarily due to the addition of interest expense on Progress Energy's corporate debt (-$0.05 per share).

**Share Dilution**

On July 2, 2012, Duke Energy issued approximately 258 million shares of common stock in connection with the closing of the merger with Progress Energy, Inc. The issuance of these additional shares had a dilutive impact of $0.54 per share on the quarter-over-quarter adjusted diluted EPS results.

**Reconciliation of quarterly reported to adjusted diluted EPS**

Mark-to-market impacts of economic hedges in the Commercial Power segment and

special items excluded from Duke Energy's adjusted diluted EPS for the quarters include:

| (In millions, except per-share amounts) | Pre-Tax Amount | Tax Effect | 3Q2012 EPS Impact | 3Q2011 EPS Impact |
|---|---|---|---|---|
| **Third Quarter 2012** | | | | |
| • Costs to Achieve, Progress Merger | $(457) | $164 | $(0.42) | |
| • Edwardsport Impairment | $(180) | $63 | $(0.17) | |
| • Other | $(10) | $4 | $(0.01) | |
| • Mark-to-market impact of economic hedges | $(31) | $12 | $(0.03) | |
| | | | | |
| **Third Quarter 2011** | | | | |
| • Edwardsport Impairment | $(222) | $87 | | $(0.30) |
| • Emission Allowances Impairment | $(79) | $28 | | $(0.12) |
| • Costs to Achieve, Progress Merger | $(13) | $3 | | $(0.02) |
| • Mark-to-market impact of economic hedges | $1 | -- | | $0.00 |
| **Total diluted EPS impact** | | | **$(0.63)** | **$(0.44)** |

Reconciliation of reported to adjusted diluted EPS for the quarters:

| | 3Q2012 EPS | 3Q2011 EPS |
|---|---|---|
| **Diluted EPS, as reported** | **$0.85** | **$1.06** |
| Adjustments to reported EPS: | | |
| • Diluted EPS impact of special items and mark-to-market in Commercial Power | **$0.63** | **$0.44** |
| • Discontinued operations, net of tax | **$(0.01)** | **--** |
| **Diluted EPS, adjusted** | **$1.47** | **$1.50** |

**Analyst Conference Call**

An earnings conference call for analysts is scheduled for 10 a.m. ET Thursday, Nov. 8, to discuss Duke Energy's financial performance for the third quarter 2012 as well as providing other business updates. The conference call will be hosted by Jim Rogers, chairman, president and chief executive officer, and Lynn Good, executive vice president and chief financial officer.

The call can be accessed via the investors' section (http://www.duke-energy.com/investors/) of Duke Energy's website or by dialing 866-454-4209 in the United States or 913-312-1393 outside the United States. The confirmation code is **3151154**. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until midnight ET, Nov. 18, 2012, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code **3151154**. A replay and transcript also will be available by accessing the investors' section of the company's website.

NON-GAAP FINANCIAL MEASURES

The primary performance measure used by management to evaluate segment performance is segment income. Segment income is defined as income from continuing operations net of income attributable to non-controlling interests. In addition, direct interest expense and income taxes are included in segment income and certain governance costs are allocated to each of the segments.

Management believes segment income, which is the GAAP measure used to report segment results, is a good indicator of each segment's operating performance as it represents the approximate net income contribution of Duke Energy's business segments by incorporating the direct financing methods or capital structures of the business segments as well as the income tax attributes of the businesses and regions in which they operate.

Duke Energy's management uses adjusted diluted EPS, which is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment, as a measure to evaluate operations of the company. In addition, Duke Energy's management calculates the EPS impact of segment income drivers to facilitate an understanding of the impacts of each income driver on consolidated adjusted diluted EPS.

Special items represent certain charges and credits, which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory

accounting treatment, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS provides useful information to investors, as it provides them an additional relevant comparison of the company's performance across periods. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of adjusted diluted EPS for future periods, information to reconcile such non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast special items and the mark-to-market impacts of economic hedges in the Commercial Power segment for future periods.

Duke Energy also uses adjusted segment income and adjusted Other net expenses as a measure of historical and anticipated future segment and Other performance. Adjusted segment income and adjusted Other net expenses are non-GAAP financial measures, as they represent reported segment income and Other net expenses adjusted for special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Management believes that the presentation of adjusted segment income and adjusted Other net expenses provides useful information to investors, as it provides them an additional relevant comparison of a segment's or Other's performance across periods. When an EPS amount is provided for a segment income driver, the per share impact is derived by taking the before-tax amount of the item less income taxes based on the segment's effective tax rate, divided by the Duke Energy weighted-average shares outstanding for the period. The most directly comparable GAAP measure for adjusted segment income or adjusted Other net expenses is reported segment income or Other net expenses, which represents segment income and Other net expenses from continuing operations, including any special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of any forecasted adjusted segment income or adjusted Other net expenses and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures

is not available at this time, as the company is unable to forecast special items, the mark-to-market impacts of economic hedges in the Commercial Power segment, or any amounts that may be reported as discontinued operations or extraordinary items for future periods.

Duke Energy is the largest electric power holding company in the United States with more than $100 billion in total assets. Its regulated utility operations serve approximately 7.1 million electric customers located in six states in the Southeast and Midwest. Its commercial power and international business segments own and operate diverse power generation assets in North America and Latin America, including a growing portfolio of renewable energy assets in the United States.

Headquartered in Charlotte, N.C., Duke Energy is a Fortune 250 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available at: www.duke-energy.com.

**Forward-Looking Information**

This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions.

These forward-looking statements are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," “target,” “guidance,” “outlook” and similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: state, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, as well as rulings that affect cost and investment recovery or have an impact on rate structures; the ability to recover eligible costs and earn an adequate return on investment through the regulatory process; the scope of necessary repairs of the delamination of Crystal River Unit 3 Nuclear Plant could prove more extensive or costly than is currently identified, such repairs could prove not to be feasible resulting in early retirement of the unit, the cost of repair and/or replacement power could exceed estimates and insurance coverage or may not be recoverable through the regulatory process; the ability to maintain relationships with customers, employees or suppliers post-merger; the ability to successfully integrate the Progress Energy businesses and realize cost savings and any other synergies expected from the merger; the risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect; the impact of compliance with material restrictions of conditions related to the Progress Energy

merger imposed by regulators could exceed our expectations; costs and effects of legal and administrative proceedings, settlements, investigations and claims; industrial, commercial and residential growth or decline in the respective Duke Energy Registrants' service territories, customer base or customer usage patterns; additional competition in electric markets and continued industry consolidation; political and regulatory uncertainty in other countries in which Duke Energy conducts business; the influence of weather and other natural phenomena on each of the Duke Energy Registrants' operations, including the economic, operational and other effects of storms, hurricanes, droughts and tornadoes; the ability to successfully operate electric generating facilities and deliver electricity to customers; the ability to recover, in a timely manner, if at all, costs associated with future significant weather events through the regulatory process; the impact on the Duke Energy Registrants' facilities and business from a terrorist attack, cyber security threats and other catastrophic events; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates and the ability to recover such costs through the regulatory process, where appropriate; unscheduled generation outages, unusual maintenance or repairs and electric transmission system constraints; the performance of electric generation facilities and of projects undertaken by Duke Energy's non-regulated businesses; the results of financing efforts, including the Duke Energy Registrants' ability to obtain financing on favorable terms, which can be affected by various factors, including the respective Duke Energy Registrants' credit ratings and general economic conditions; declines in the market prices of equity securities and resultant cash funding requirements for Duke Energy's defined benefit pension plans and nuclear decommissioning trust funds; the level of creditworthiness of counterparties to Duke Energy Registrants' transactions; employee workforce factors, including the potential inability to attract and retain key personnel; growth in opportunities for the respective Duke Energy Registrants' business units, including the timing and success of efforts to develop domestic and international power and other projects; construction and development risks associated with the completion of Duke Energy Registrants' capital investment projects in existing and new generation facilities, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from ratepayers in a timely manner or at all; the subsidiaries ability to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; the impact of potential goodwill impairments; and the ability to successfully complete future merger, acquisition or divestiture plans.

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.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than Duke Energy has described. Duke Energy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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**DUKE ENERGY CORPORATION**
**EARNINGS VARIANCES**
**September 2012 QTD vs. Prior Year**

| ($ per share) | U.S. Franchised Electric & Gas | International Energy | Commercial Power | Other | Consolidated |
|---|---|---|---|---|---|
| **2011 QTD Reported Earnings Per Share, Diluted** | **$ 0.76** | **$ 0.26** | **$ 0.05** | **$ (0.01)** | **$ 1.06** |
| Costs to Achieve, Progress Merger | - | - | - | 0.02 | 0.02 |
| Edwardsport Impairment | 0.30 | - | - | - | 0.30 |
| Emission Allowances Impairment | - | - | 0.12 | - | 0.12 |
| **2011 QTD Adjusted Earnings Per Share, Diluted** | **$ 1.06** | **$ 0.26** | **$ 0.17** | **$ 0.01** | **$ 1.50** |
| Share Differential (a) | (0.38) | (0.09) | (0.07) | - | (0.54) |
| **2011 QTD Adjusted Earnings Per Share, Diluted, Recasted for Share Issuance** | **$ 0.68** | **$ 0.17** | **$ 0.10** | **$ 0.01** | **$ 0.96** |
| Progress Energy Contribution | 0.55 | - | - | (0.05) | 0.50 |
| Weather | (0.06) | - | - | - | (0.06) |
| Pricing and Riders (b) | 0.12 | - | - | - | 0.12 |
| Operation and Maintenance and Governance Expenses | 0.01 | - | - | - | 0.01 |
| Latin America, including Foreign Exchange Rates (c) | - | (0.02) | - | - | (0.02) |
| Midwest Coal Generation (d) | - | - | (0.06) | - | (0.06) |
| Midwest Gas Generation (e) | - | - | (0.02) | - | (0.02) |
| Duke Energy Retail | - | - | (0.01) | - | (0.01) |
| Duke Energy Renewables | - | - | 0.02 | - | 0.02 |
| Interest Expense | - | - | - | (0.01) | (0.01) |
| Income Tax Expense (f) | - | - | - | 0.01 | 0.01 |
| Other (g) | - | - | 0.01 | 0.02 | 0.03 |
| **2012 QTD Adjusted Earnings Per Share, Diluted** | **$ 1.30** | **$ 0.15** | **$ 0.04** | **$ (0.02)** | **$ 1.47** |
| Costs to Achieve, Progress Merger | - | - | - | (0.42) | (0.42) |
| Edwardsport Impairment | (0.17) | - | - | - | (0.17) |
| Democratic National Convention Host Committee Support | - | - | - | (0.01) | (0.01) |
| Economic Hedges (Mark-to-Market) | - | - | (0.03) | - | (0.03) |
| Discontinued Operations | - | - | - | - | 0.01 |
| **2012 QTD Reported Earnings Per Share, Diluted** | **$ 1.13** | **$ 0.15** | **$ 0.01** | **$ (0.45)** | **$ 0.85** |

(a) Reflects the impact on prior period earnings per diluted share due to the increase in Duke Energy's average diluted common shares outstanding as a result of shares issued to complete the merger with Progress Energy. Weighted average shares outstanding increased from 444 million for the quarter ended September 30, 2011 to 699 million for the quarter ended September 30, 2012.

(b) Primarily due to implementation of revised customer rates in North Carolina and South Carolina as a result of the 2011 rate case (+$0.11) and increased riders (+$0.02).

(c) Primarily due to Central America (-$0.01) and unfavorable foreign currency exchange rates (-$0.01).

(d) Primarily due to the new market-based Ohio ESP (-$0.10), partially offset by the non-bypassable stabilization charge (+$0.03).

(e) Primarily due to a decrease in capacity revenue (-$0.03) and favorable generation volumes, net of lower pricing (+$0.01).

(f) Primarily represents the change in effective tax rates for the period.

(g) Amount for U.S. Franchised Electric & Gas is primarily due to an increase in depreciation and amortization expense (-$0.02), offset by other miscellaneous items (+$0.02).

Note: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

**DUKE ENERGY CORPORATION**
**EARNINGS VARIANCES**
**September 2012 YTD vs. Prior Year**

| ($ per share) | U.S. Franchised Electric & Gas | International Energy | Commercial Power | Other | Consolidated |
|---|---|---|---|---|---|
| **2011 YTD Reported Earnings Per Share, Diluted** | **$ 2.20** | **$ 0.83** | **$ 0.22** | **$ (0.06)** | **$ 3.19** |
| Costs to Achieve, Progress Merger | - | - | - | 0.05 | 0.05 |
| Edwardsport Impairment | 0.30 | - | - | - | 0.30 |
| Emission Allowances Impairment | - | - | 0.12 | - | 0.12 |
| Economic Hedges (Mark-to-Market) | - | - | 0.01 | - | 0.01 |
| **2011 YTD Adjusted Earnings Per Share, Diluted** | **$ 2.50** | **$ 0.83** | **$ 0.35** | **$ (0.01)** | **$ 3.67** |
| Share Differential (a) | (0.41) | (0.13) | (0.06) | (0.01) | (0.61) |
| **2011 YTD Adjusted Earnings Per Share, Diluted, Recasted for Share Issuance** | **$ 2.09** | **$ 0.70** | **$ 0.29** | **$ (0.02)** | **$ 3.06** |
| Progress Energy Contribution | 0.73 | - | - | (0.07) | 0.66 |
| Weather | (0.23) | - | - | - | (0.23) |
| Pricing and Riders (b) | 0.40 | - | - | - | 0.40 |
| Operation and Maintenance and Governance Expenses | 0.12 | - | - | - | 0.12 |
| Latin America, including Foreign Exchange Rates (c) | - | (0.09) | - | - | (0.09) |
| NMC | - | 0.03 | - | - | 0.03 |
| Midwest Coal Generation (d) | - | - | (0.13) | - | (0.13) |
| Midwest Gas Generation (e) | - | - | 0.02 | - | 0.02 |
| Duke Energy Retail | - | - | (0.07) | - | (0.07) |
| Duke Energy Renewables | - | - | 0.05 | - | 0.05 |
| Interest Expense | (0.02) | - | - | (0.02) | (0.04) |
| Income Tax Expense (f) | (0.01) | - | - | 0.01 | - |
| Other (g) | (0.09) | 0.02 | 0.02 | 0.01 | (0.04) |
| **2012 YTD Adjusted Earnings Per Share, Diluted** | **$ 2.99** | **$ 0.66** | **$ 0.18** | **$ (0.09)** | **$ 3.74** |
| Costs to Achieve, Progress Merger | | | | (0.58) | (0.58) |
| Voluntary Opportunity Plan Deferral | 0.11 | - | - | - | 0.11 |
| Edwardsport Impairment | (0.72) | - | - | - | (0.72) |
| Democratic National Convention Host Committee Support | - | - | - | (0.01) | (0.01) |
| Economic Hedges (Mark-to-Market) | - | - | (0.04) | - | (0.04) |
| Discontinued Operations | - | - | - | - | 0.01 |
| **2012 YTD Reported Earnings Per Share, Diluted** | **$ 2.38** | **$ 0.66** | **$ 0.14** | **$ (0.68)** | **$ 2.51** |

(a) Reflects the impact on prior period earnings per diluted share due to the increase in Duke Energy's average diluted common shares outstanding as a result of shares issued to complete the merger with Progress Energy. Weighted average shares outstanding increased from 444 million for the nine months ended September 30, 2011 to 531 million for the nine months ended September 30, 2012.

(b) Primarily due to implementation of revised customer rates (+$0.32) and increased riders (+$0.07).

(c) Primarily driven by lower average prices in Central America and absence of prior year arbitration award in Peru (-$0.07) and unfavorable foreign exchange rates (-$0.06), partially offset by higher average sales prices and volumes in Brazil (+$0.06).

(d) Primarily due to the new market-based Ohio ESP (-$0.34), partially offset by the non-bypassable stabilization charge (+$0.10), favorable capacity revenues (+$0.09), and lower operation and maintenance (+$0.01).

(e) Primarily due to favorable generation volumes (+$0.07) and recovery of a Lehman Brothers receivable previously written-off (+$0.02), partially offset by a decrease in capacity revenue (-$0.08).

(f) Primarily represents the change in effective tax rates for the period.

(g) Amount for U.S. Franchised Electric & Gas is primarily due to an increase in depreciation and amortization expense (-$0.11), partially offset by other miscellaneous items (+$0.02).

Note: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

## September 2012
## QUARTERLY HIGHLIGHTS
## (Unaudited)

| *(In millions, except per-share amounts and where noted)* | Three Months Ended September 30, 2012 | Three Months Ended September 30, 2011 | Nine Months Ended September 30, 2012 | Nine Months Ended September 30, 2011 |
|---|---|---|---|---|
| **COMMON STOCK DATA** | | | | |
| Income from continuing operations attributable to Duke Energy Corporation common shareholders[a] | | | | |
| Basic | $ 0.84 | $ 1.06 | $ 2.50 | $ 3.19 |
| Diluted | $ 0.84 | $ 1.06 | $ 2.50 | $ 3.19 |
| Income from discontinued operations attributable to Duke Energy Corporation common shareholders[a] | | | | |
| Basic | $ 0.01 | $ - | $ 0.01 | $ - |
| Diluted | $ 0.01 | $ - | $ 0.01 | $ - |
| Net income attributable to Duke Energy Corporation common shareholders[a] | | | | |
| Basic | $ 0.85 | $ 1.06 | $ 2.51 | $ 3.19 |
| Diluted | $ 0.85 | $ 1.06 | $ 2.51 | $ 3.19 |
| Dividends Declared Per Share[a] | $ - | $ - | $ 2.265 | $ 2.22 |
| Weighted-Average Shares Outstanding[a] | | | | |
| Basic | 699 | 444 | 531 | 444 |
| Diluted | 699 | 444 | 531 | 444 |
| **SEGMENT INCOME BY BUSINESS SEGMENT** | | | | |
| U.S. Franchised Electric and Gas[b][c] | $ 790 | $ 337 | $ 1,263 | $ 975 |
| Commercial Power[d] | 12 | 24 | 71 | 103 |
| International Energy | 103 | 115 | 350 | 370 |
| Total Reportable Segment Income | 905 | 476 | 1,684 | 1,448 |
| Other Net Expense[e] | (315) | (5) | (356) | (31) |
| (Loss) Income from Discontinued Operations, net of tax | 4 | 1 | 5 | 1 |
| Total Reportable Segment Income and Other Net Expense | $ 594 | $ 472 | $ 1,333 | $ 1,418 |
| **CAPITALIZATION** | | | | |
| Total Common Equity | | | 51% | 54% |
| Preferred Stock of Subsidiaries | | | - | - |
| Total Debt | | | 49% | 46% |
| Total Debt | | | $ 39,472 | $ 19,866 |
| Book Value Per Share[a] | | | $ 58.38 | $ 51.57 |
| Actual Shares Outstanding[a] | | | 704 | 444 |
| **CAPITAL AND INVESTMENT EXPENDITURES** | | | | |
| U.S. Franchised Electric and Gas | $ 1,270 | $ 900 | $ 2,860 | $ 2,656 |
| Commercial Power | 205 | 118 | 825 | 224 |
| International Energy | 95 | 38 | 119 | 96 |
| Other | 21 | 29 | 84 | 100 |
| Total Capital and Investment Expenditures | $ 1,591 | $ 1,085 | $ 3,888 | $ 3,076 |

(a) Reflects the impact of the 1-for-3 reverse stock split on July 2, 2012.
(b) Includes impairment and other charges of $268 million in the first quarter of 2012 related to the Edwardsport IGCC project (net of tax of $152 million), and includes impairment and other charges of $117 million in the third quarter of 2012 related to the Edwardsport IGCC project (net of tax of $63 million).
(c) Includes impairment and other charges of $135 million in the third quarter of 2011 related to the Edwardsport IGCC project (net of tax of $87 million).
(d) Includes non-cash impairment charges of $79 million in 2011 related to an emission allowances impairment.
(e) Includes costs to achieve of $293 million in the third quarter of 2012 related to the Progress merger on July 2, 2012 (net of tax of $164 million).

**September 2012**

**QUARTERLY HIGHLIGHTS**

**(Unaudited)**

| *(In millions, except where noted)* | Three Months Ended September 30, 2012 | Three Months Ended September 30, 2011 | Nine Months Ended September 30, 2012 | Nine Months Ended September 30, 2011 |
|---|---|---|---|---|
| **U.S. FRANCHISED ELECTRIC AND GAS** | | | | |
| Operating Revenues | $ 5,842 | $ 2,926 | $ 11,207 | $ 8,158 |
| Operating Expenses (a) | 4,433 | 2,323 | 8,914 | 6,446 |
| Gains on Sales of Other Assets, net | 6 | 1 | 13 | 2 |
| Operating Income | 1,415 | 604 | 2,306 | 1,714 |
| Other Income and Expenses | 103 | 72 | 227 | 201 |
| Interest Expense | 257 | 145 | 546 | 419 |
| Income Before Income Taxes | 1,261 | 531 | 1,987 | 1,496 |
| Income Tax Expense (b) | 470 | 194 | 723 | 521 |
| Less: Income Attributable to Noncontrolling Interests | 1 | - | 1 | - |
| Segment Income | $ 790 | $ 337 | $ 1,263 | $ 975 |
| Depreciation and Amortization | $ 545 | $ 352 | $ 1,275 | $ 1,032 |
| Duke Energy Carolinas GWh sales | 22,780 | 22,832 | 61,815 | 63,626 |
| Progress Energy Carolinas GwH sales | 16,754 | 16,028 | 43,387 | 43,614 |
| Progress Energy Florida Gwh sales | 11,466 | 12,000 | 29,814 | 31,306 |
| Duke Energy Ohio GWh sales | 6,804 | 7,056 | 18,600 | 19,315 |
| Duke Energy Indiana GWh sales | 8,923 | 9,071 | 25,684 | 25,501 |
| Net Proportional MW Capacity in Operation | | | 47,450 | 26,907 |
| **COMMERCIAL POWER** | | | | |
| Operating Revenues | $ 525 | $ 687 | $ 1,607 | $ 1,926 |
| Operating Expenses | 522 | 627 | 1,512 | 1,741 |
| Gains on Sales of Other Assets, net | 10 | 2 | 11 | 15 |
| Operating Income | 13 | 62 | 106 | 200 |
| Other Income and Expenses | 1 | 4 | 26 | 21 |
| Interest Expense | 14 | 21 | 55 | 67 |
| Income Before Income Taxes | - | 45 | 77 | 154 |
| Income Tax Expense | (13) | 20 | 5 | 43 |
| Less: Income Attributable to Noncontrolling Interests | 1 | 1 | 1 | 8 |
| Segment Income | $ 12 | $ 24 | $ 71 | $ 103 |
| Depreciation and Amortization | $ 58 | $ 56 | $ 172 | $ 173 |
| Actual Coal-fired Plant Production, GWh | 5,054 | 5,013 | 12,421 | 13,420 |
| Actual Gas-fired Plant Production, GWh | 4,387 | 3,255 | 13,483 | 8,476 |
| Actual Renewable Plant Production, GWh | 615 | 545 | 2,399 | 2,286 |
| Actual Plant Production, GWh | 10,056 | 8,813 | 28,303 | 24,182 |
| Net Proportional MW Capacity in Operation | | | 7,760 | 8,300 |
| **INTERNATIONAL ENERGY** | | | | |
| Operating Revenues | $ 382 | $ 360 | $ 1,181 | $ 1,114 |
| Operating Expenses | 266 | 239 | 768 | 715 |
| Operating Income | 116 | 121 | 413 | 399 |
| Other Income and Expenses | 46 | 52 | 136 | 166 |
| Interest Expense | 23 | 4 | 60 | 31 |
| Income Before Income Taxes | 139 | 169 | 489 | 534 |
| Income Tax Expense | 34 | 51 | 129 | 154 |
| Less: Income Attributable to Noncontrolling Interests | 2 | 3 | 10 | 10 |
| Segment Income | $ 103 | $ 115 | $ 350 | $ 370 |
| Depreciation and Amortization | $ 25 | $ 23 | $ 74 | $ 66 |
| Sales, GWh | 5,308 | 4,565 | 15,264 | 13,868 |
| Proportional MW Capacity in Operation | | | 4,465 | 4,190 |
| **OTHER** | | | | |
| Operating Revenues | $ 20 | $ 14 | $ 51 | $ 34 |
| Operating Expenses (c) | 484 | 26 | 514 | 79 |
| Losses on Sales of Other Assets, net | (2) | (8) | (3) | (8) |
| Operating Loss | (466) | (20) | (466) | (53) |
| Other Income and Expenses | 15 | (5) | 14 | 43 |
| Interest Expense | 107 | 43 | 196 | 118 |
| Loss Before Income Taxes | (558) | (68) | (648) | (128) |
| Income Tax Benefit (d) | (243) | (57) | (292) | (85) |
| Less: Loss Attributable to Noncontrolling Interests | - | (6) | - | (12) |
| Net Expense | $ (315) | $ (5) | $ (356) | $ (31) |
| Depreciation and Amortization | $ 38 | $ 24 | $ 99 | $ 75 |

(a) Includes pre-tax impairment and other charges related to the Edwardsport IGCC project of $180 million and $600 million for the three and nine months ended September 30, 2012, respectively, and $222 million for both the three and nine months ending September 30, 2011.

(b) Includes a tax benefit related to the Edwardsport IGCC project of $63 million and $215 million for the three and nine months ended September 30, 2012, respectively, and $87 million for both the three and nine months ending September 30, 2011.

(c) Includes costs to achieve of $366 million and $381 million for the three and nine months ended September 30, 2012, respectively, recorded in Operation, maintenance and other and costs to achieve of $86 million for both the three and nine months ended September 30, 2012 recorded in Impairment charges (all Operating Expenses).

(d) Includes a tax benefit related to costs to achieve of $164 million and $166 million for the three and nine months ended September 30, 2012, respectively.

DUKE ENERGY CORPORATION

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**
**(In millions, except per-share amounts)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2012** | **2011** | **2012** | **2011** |
| **Operating Revenues** | | | | |
| Regulated electric | $ 5,763 | $ 3,016 | $ 10,892 | $ 8,165 |
| Non-regulated electric, natural gas, and other | 882 | 867 | 2,708 | 2,586 |
| Regulated natural gas | 77 | 81 | 329 | 410 |
| Total operating revenues | 6,722 | 3,964 | 13,929 | 11,161 |
| **Operating Expenses** | | | | |
| Fuel used in electric generation and purchased power - regulated | 2,222 | 957 | 3,848 | 2,603 |
| Fuel used in electric generation and purchased power - non-regulated | 484 | 383 | 1,328 | 1,147 |
| Cost of natural gas and coal sold | 40 | 48 | 184 | 262 |
| Operation, maintenance and other | 1,654 | 866 | 3,262 | 2,705 |
| Depreciation and amortization | 666 | 455 | 1,620 | 1,346 |
| Property and other taxes | 326 | 183 | 681 | 538 |
| Impairment charges | 266 | 300 | 668 | 309 |
| Total operating expenses | 5,658 | 3,192 | 11,591 | 8,910 |
| **Gains (Losses) on Sales of Other Assets and Other, net** | 14 | (5) | 21 | 9 |
| **Operating Income** | 1,078 | 767 | 2,359 | 2,260 |
| **Other Income and Expenses** | | | | |
| Equity in earnings of unconsolidated affiliates | 33 | 43 | 118 | 123 |
| Impairments and gains on sales of unconsolidated affiliates | - | (3) | (6) | 11 |
| Other income and expenses, net | 132 | 83 | 291 | 297 |
| Total other income and expenses | 165 | 123 | 403 | 431 |
| **Interest Expense** | 401 | 213 | 857 | 635 |
| **Income From Continuing Operations Before Income Taxes** | 842 | 677 | 1,905 | 2,056 |
| **Income Tax Expense from Continuing Operations** | 248 | 208 | 565 | 633 |
| **Income From Continuing Operations** | 594 | 469 | 1,340 | 1,423 |
| **Income From Discontinued Operations, net of tax** | 4 | 1 | 5 | 1 |
| **Net Income** | 598 | 470 | 1,345 | 1,424 |
| **Less: Net Income (Loss) Attributable to Noncontrolling Interests** | 4 | (2) | 12 | 6 |
| **Net Income Attributable to Duke Energy Corporation** | $ 594 | $ 472 | $ 1,333 | $ 1,418 |
| | | | | |
| **Earnings Per Share - Basic and Diluted** | | | | |
| Income from continuing operations attributable to Duke Energy Corporation common shareholders | | | | |
| Basic | $ 0.84 | $ 1.06 | $ 2.50 | $ 3.19 |
| Diluted | $ 0.84 | $ 1.06 | $ 2.50 | $ 3.19 |
| Income from discontinued operations attributable to Duke Energy Corporation common shareholders | | | | |
| Basic | $ 0.01 | $ - | $ 0.01 | $ - |
| Diluted | $ 0.01 | $ - | $ 0.01 | $ - |
| Net Income attributable to Duke Energy Corporation common shareholders | | | | |
| Basic | $ 0.85 | $ 1.06 | $ 2.51 | $ 3.19 |
| Diluted | $ 0.85 | $ 1.06 | $ 2.51 | $ 3.19 |
| Dividends declared per share | $ - | $ - | $ 2.265 | $ 2.22 |
| Weighted-average shares outstanding | | | | |
| Basic | 699 | 444 | 531 | 444 |
| Diluted | 699 | 444 | 531 | 444 |

DUKE ENERGY CORPORATION

**CONSOLIDATED**
**BALANCE SHEETS**
**(Unaudited)**
**(In millions)**

| | September 30, 2012 | December 31, 2011 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 1,761 | $ 2,110 |
| Short-term investments | 335 | 190 |
| Receivables (net of allowance for doubtful accounts of $31 at September 30, 2012 and $35 at December 31, 2011) | 1,596 | 784 |
| Restricted receivables of variable interest entities (net of allowance for doubtful accounts of $43 at September 30, 2012 and $40 at December 31, 2011) | 1,250 | 1,157 |
| Inventory | 3,041 | 1,588 |
| Other | 2,123 | 1,051 |
| Total current assets | 10,106 | 6,880 |
| **Investments and Other Assets** | | |
| Investments in equity method unconsolidated affiliates | 542 | 460 |
| Nuclear decommissioning trust funds | 4,155 | 2,060 |
| Goodwill | 16,180 | 3,849 |
| Intangibles, net | 359 | 363 |
| Notes receivable | 74 | 62 |
| Restricted other assets of variable interest entities | 115 | 135 |
| Other | 2,186 | 2,231 |
| Total investments and other assets | 23,611 | 9,160 |
| **Property, Plant and Equipment** | | |
| Cost | 100,156 | 60,377 |
| Cost, variable interest entities | 961 | 913 |
| Accumulated depreciation and amortization | (32,318) | (18,709) |
| Generation facilities to be retired, net | 232 | 80 |
| Net property, plant and equipment | 69,031 | 42,661 |
| **Regulatory Assets and Deferred Debits** | | |
| Regulatory assets | 9,097 | 3,672 |
| Other | 163 | 153 |
| Total regulatory assets and deferred debits | 9,260 | 3,825 |
| **Total Assets** | $ 112,008 | $ 62,526 |
| **LIABILITIES AND EQUITY** | | |
| **Current Liabilities** | | |
| Accounts payable | $ 1,912 | $ 1,433 |
| Notes payable and commercial paper | 600 | 154 |
| Non-recourse notes payable of variable interest entities | 275 | 273 |
| Taxes accrued | 601 | 431 |
| Interest accrued | 474 | 252 |
| Current maturities of long-term debt | 2,488 | 1,894 |
| Other | 2,206 | 1,091 |
| Total current liabilities | 8,556 | 5,528 |
| **Long-term Debt** | 35,198 | 17,730 |
| **Non-recourse long-term debt of variable interest entities** | 911 | 949 |
| **Deferred Credits and Other Liabilities** | | |
| Deferred income taxes | 10,317 | 7,581 |
| Investment tax credits | 462 | 384 |
| Accrued pension and other post-retirement benefit costs | 2,542 | 856 |
| Asset retirement obligations | 4,846 | 1,936 |
| Regulatory liabilities | 5,739 | 2,919 |
| Other | 2,349 | 1,778 |
| Total deferred credits and other liabilities | 26,255 | 15,454 |
| **Commitments and Contingencies** | | |
| Preferred stock of subsidiaries | 93 | - |
| **Equity** | | |
| Common stock, $0.001 par value, 2 billion shares authorized; 704 million and 445 million shares outstanding at September 30, 2012 and December 31, 2011, respectively | 1 | 1 |
| Additional paid-in capital | 39,249 | 21,132 |
| Retained earnings | 1,995 | 1,873 |
| Accumulated other comprehensive loss | (340) | (234) |
| Total Duke Energy Corporation shareholders' equity | 40,905 | 22,772 |
| Noncontrolling interests | 90 | 93 |
| Total equity | 40,995 | 22,865 |
| **Total Liabilities and Equity** | $ 112,008 | $ 62,526 |

**DUKE ENERGY CORPORATION**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**
**(In millions)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2012** | **2011** |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income | $ 1,345 | $ 1,424 |
| Adjustments to reconcile net income to net cash provided by operating activities: | 2,634 | 1,603 |
| Net cash provided by operating activities | 3,979 | 3,027 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Net cash used in investing activities | (3,989) | (3,070) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Net cash (used in) provided by financing activities | (339) | 405 |
| Net (decrease) increase in cash and cash equivalents | (349) | 362 |
| **Cash and cash equivalents at beginning of period** | 2,110 | 1,670 |
| **Cash and cash equivalents at end of period** | $ 1,761 | $ 2,032 |

**Duke Energy Carolinas**
**Quarterly Highlights**
**Supplemental Franchised Electric Information**
**September 2012**

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2012 | 2011 | % Inc.(Dec.) | 2012 | 2011 | % Inc.(Dec.) |
| **GWH Sales** | | | | | | |
| Residential | 7,973 | 8,493 | (6.1%) | 20,534 | 22,692 | (9.5%) |
| General Service | 7,911 | 7,988 | (1.0%) | 21,057 | 21,236 | (0.8%) |
| Industrial | 5,629 | 5,665 | (0.6%) | 15,899 | 15,782 | 0.7% |
| Other Energy Sales | 73 | 71 | 2.1% | 217 | 215 | 0.9% |
| Total Regular Sales Billed | 21,586 | 22,217 | (2.8%) | 57,707 | 59,925 | (3.7%) |
| Special Sales (1) | 1,991 | 1,615 | 23.3% | 4,464 | 4,686 | (4.7%) |
| Total Electric Sales | 23,577 | 23,832 | (1.1%) | 62,171 | 64,611 | (3.8%) |
| Unbilled Sales | (797) | (1,000) | 20.3% | (356) | (985) | 63.9% |
| Total Electric Sales - Duke Energy Carolinas | 22,780 | 22,832 | (0.2%) | 61,815 | 63,626 | (2.8%) |
| **Average Number of Customers** | | | | | | |
| Residential | 2,054,732 | 2,042,267 | 0.6% | 2,051,471 | 2,040,093 | 0.6% |
| General Service | 337,276 | 335,077 | 0.7% | 336,569 | 334,302 | 0.7% |
| Industrial | 6,718 | 6,910 | (2.8%) | 6,774 | 6,987 | (3.1%) |
| Other Energy Sales | 14,393 | 14,246 | 1.0% | 14,334 | 14,204 | 0.9% |
| Total Regular Sales | 2,413,119 | 2,398,500 | 0.6% | 2,409,148 | 2,395,586 | 0.6% |
| Special Sales | 24 | 26 | (8.2%) | 23 | 26 | (9.8%) |
| Total Average Number of Customers - Duke Energy Carolinas | 2,413,143 | 2,398,526 | 0.6% | 2,409,171 | 2,395,612 | 0.6% |
| **Heating and Cooling Degree Days** | | | | | | |
| **Actual** | | | | | | |
| Heating Degree Days | 8 | 18 | (55.6%) | 1,488 | 1,953 | (23.8%) |
| Cooling Degree Days | 986 | 1,126 | (12.4%) | 1,544 | 1,766 | (12.6%) |
| **Variance from Normal** | | | | | | |
| Heating Degree Days | (39.8%) | 2.2% | n/a | (24.7%) | 0.2% | n/a |
| Cooling Degree Days | (1.4%) | 16.9% | n/a | 2.6% | 22.0% | n/a |

(1) Third quarter 2012 and year-to-date 2012 include 318 GWH of sales associated with the FERC mitigation contracts, for which the financial results are excluded from the U.S. Franchised Electric & Gas segment earnings.

**Progress Energy Carolinas**
**Quarterly Highlights**
**Supplemental Franchised Electric Information**
**September 2012**

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2012 | 2011 | % Inc.(Dec.) | 2012 | 2011 | % Inc.(Dec.) |
| **GWH Sales** | | | | | | |
| Residential | 4,936 | 5,134 | (3.9%) | 12,915 | 14,480 | (10.8%) |
| General Service | 4,413 | 4,362 | 1.2% | 11,565 | 11,787 | (1.9%) |
| Industrial | 2,772 | 2,870 | (3.4%) | 7,884 | 8,040 | (1.9%) |
| Other Energy Sales | 30 | 30 | 0.0% | 91 | 93 | (2.2%) |
| Total Regular Sales Billed | 12,151 | 12,396 | (2.0%) | 32,455 | 34,400 | (5.7%) |
| Special Sales (a) | 4,875 | 3,662 | 33.1% | 11,139 | 9,840 | 13.2% |
| Total Electric Sales | 17,026 | 16,058 | 6.0% | 43,594 | 44,240 | (1.5%) |
| Unbilled Sales | (272) | (30) | 100.0% | (207) | (626) | (66.9%) |
| Total Electric Sales - Progress Energy Carolinas | 16,754 | 16,028 | 4.5% | 43,387 | 43,614 | (0.5%) |
| **Average Number of Customers** | | | | | | |
| Residential | 1,232,560 | 1,222,135 | 0.9% | 1,229,980 | 1,220,818 | 0.8% |
| General Service | 220,125 | 217,876 | 1.0% | 219,251 | 217,079 | 1.0% |
| Industrial | 4,412 | 4,479 | (1.5%) | 4,434 | 4,491 | (1.3%) |
| Other Energy Sales | 1,816 | 1,923 | (5.6%) | 1,844 | 1,967 | (6.3%) |
| Total Regular Sales | 1,458,913 | 1,446,413 | 0.9% | 1,455,509 | 1,444,355 | 0.8% |
| Special Sales | 18 | 18 | 0.0% | 19 | 18 | 5.6% |
| Total Average Number of Customers - Progress Energy Carolinas | 1,458,931 | 1,446,431 | 0.9% | 1,455,528 | 1,444,373 | 0.8% |
| **Heating and Cooling Degree Days** | | | | | | |
| **Actual** | | | | | | |
| Heating Degree Days | 8 | 14 | (42.9%) | 1,392 | 1,840 | (24.3%) |
| Cooling Degree Days | 1,185 | 1,310 | (9.5%) | 1,827 | 2,073 | (11.9%) |
| **Variance from Normal** | | | | | | |
| Heating Degree Days | (11.1%) | 27.3% | n/a | (27.7%) | (4.6%) | n/a |
| Cooling Degree Days | 2.9% | 16.7% | n/a | 4.3% | 21.7% | n/a |

(a) Third quarter 2012 and year-to-date 2012 include 577 GWH of sales associated with the FERC mitigation contracts, for which the financial results are excluded from the U.S. Franchised Electric & Gas segment earnings.

**Progress Energy Florida**
**Quarterly Highlights**
**Supplemental Franchised Electric Information**
**September 2012**

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2012 | 2011 | % Inc.(Dec.) | 2012 | 2011 | % Inc.(Dec.) |
| **GWH Sales** | | | | | | |
| Residential | 5,712 | 6,181 | (7.6%) | 13,942 | 15,144 | (7.9%) |
| General Service | 4,205 | 4,322 | (2.7%) | 11,284 | 11,437 | (1.3%) |
| Industrial | 819 | 838 | (2.2%) | 2,384 | 2,459 | (3.1%) |
| Other Energy Sales | 6 | 6 | 3.6% | 19 | 18 | 5.6% |
| Total Regular Sales Billed | 10,742 | 11,347 | (5.3%) | 27,629 | 29,058 | (4.9%) |
| Special Sales | 621 | 906 | (31.5%) | 1,390 | 2,231 | (37.7%) |
| Total Electric Sales | 11,363 | 12,253 | (7.3%) | 29,019 | 31,289 | (7.3%) |
| Unbilled Sales | 103 | (253) | (100.0%) | 795 | 17 | 100.0% |
| Total Consolidated Electric Sales - Progress Energy Florida | 11,466 | 12,000 | (4.4%) | 29,814 | 31,306 | (4.8%) |
| **Average Number of Customers** | | | | | | |
| Residential | 1,464,992 | 1,452,032 | 0.9% | 1,463,126 | 1,452,002 | 0.8% |
| General Service | 187,846 | 186,135 | 0.9% | 187,171 | 185,695 | 0.8% |
| Industrial | 2,358 | 2,395 | (1.5%) | 2,373 | 2,421 | (2.0%) |
| Other Energy Sales | 1,571 | 1,564 | 0.4% | 1,556 | 1,579 | (1.5%) |
| Total Regular Sales | 1,656,767 | 1,642,126 | 0.9% | 1,654,226 | 1,641,697 | 0.8% |
| Special Sales | 15 | 15 | 0.0% | 14 | 15 | (6.7%) |
| Total Average Number of Customers - Progress Energy Florida | 1,656,782 | 1,642,141 | 0.9% | 1,654,240 | 1,641,712 | 0.8% |
| **Heating and Cooling Degree Days** | | | | | | |
| **Actual** | | | | | | |
| Heating Degree Days | - | - | n/a | 211 | 305 | (30.8%) |
| Cooling Degree Days | 1,392 | 1,468 | (5.2%) | 2,691 | 2,778 | (3.1%) |
| **Variance from Normal** | | | | | | |
| Heating Degree Days | - | - | n/a | (29.5%) | 1.9% | n/a |
| Cooling Degree Days | -0.5% | 4.9% | n/a | 5.2% | 8.6% | n/a |

**Duke Energy Ohio**
**Quarterly Highlights**
**Supplemental Franchised Electric Information**
**September 2012**

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2012 | 2011 | % Inc.(Dec.) | 2012 | 2011 | % Inc.(Dec.) |
| **GWH Sales** | | | | | | |
| Residential | 2,731 | 2,708 | 0.8% | 6,770 | 7,101 | (4.7%) |
| General Service | 2,690 | 2,743 | (1.9%) | 7,188 | 7,440 | (3.4%) |
| Industrial | 1,512 | 1,529 | (1.1%) | 4,340 | 4,369 | (0.7%) |
| Other Energy Sales | 28 | 23 | 21.7% | 85 | 80 | 6.3% |
| Total Regular Electric Sales Billed | 6,961 | 7,003 | (0.6%) | 18,383 | 18,990 | (3.2%) |
| Special Sales | 89 | 107 | (16.8%) | 236 | 502 | (53.0%) |
| Total Electric Sales Billed - Duke Energy Ohio | 7,050 | 7,110 | (0.8%) | 18,619 | 19,492 | (4.5%) |
| Unbilled Sales | (246) | (54) | (355.6%) | (19) | (177) | 89.3% |
| Total Electric Sales - Duke Energy Ohio | 6,804 | 7,056 | (3.6%) | 18,600 | 19,315 | (3.7%) |
| **Average Number of Customers** | | | | | | |
| Residential | 731,917 | 727,812 | 0.6% | 733,840 | 730,332 | 0.5% |
| General Service | 85,499 | 84,856 | 0.8% | 85,582 | 85,081 | 0.6% |
| Industrial | 2,574 | 2,596 | (0.8%) | 2,585 | 2,604 | (0.7%) |
| Other Energy | 2,903 | 2,854 | 1.7% | 2,892 | 2,845 | 1.7% |
| Total Regular Sales | 822,893 | 818,118 | 0.6% | 824,899 | 820,862 | 0.5% |
| Special Sales | 1 | 1 | 0.0% | 2 | 1 | 100.0% |
| Total Average Number Electric Customers - Duke Energy Ohio | 822,894 | 818,119 | 0.6% | 824,901 | 820,863 | 0.5% |
| **Heating and Cooling Degree Days** | | | | | | |
| **Actual** | | | | | | |
| Heating Degree Days | 19 | 19 | 0.0% | 1,718 | 2,345 | (26.7%) |
| Cooling Degree Days | 917 | 917 | 0.0% | 1,384 | 1,289 | 7.4% |
| **Variance from Normal** | | | | | | |
| Heating Degree Days | 58.3% | 18.8% | n/a | (26.0%) | 3.4% | n/a |
| Cooling Degree Days | 16.1% | 22.4% | n/a | 23.1% | 20.9% | n/a |

Note: Includes data for Duke Energy Ohio and Duke Energy Kentucky

**Duke Energy Indiana**
**Quarterly Highlights**
**Supplemental Franchised Electric Information**
**September 2012**

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2012 | 2011 | % Inc.(Dec.) | 2012 | 2011 | % Inc.(Dec.) |
| **GWH Sales** | | | | | | |
| Residential | 2,629 | 2,588 | 1.6% | 6,939 | 7,402 | (6.3%) |
| General Service | 2,389 | 2,372 | 0.7% | 6,383 | 6,414 | (0.5%) |
| Industrial | 2,688 | 2,674 | 0.5% | 7,872 | 7,682 | 2.5% |
| Other Energy Sales | 13 | 13 | 0.0% | 40 | 40 | 0.0% |
| Total Regular Electric Sales Billed | 7,719 | 7,647 | 0.9% | 21,234 | 21,538 | (1.4%) |
| Special Sales | 1,439 | 1,472 | (2.2%) | 4,455 | 4,243 | 5.0% |
| Total Electric Sales Billed - Duke Energy Indiana | 9,158 | 9,119 | 0.4% | 25,689 | 25,781 | (0.4%) |
| Unbilled Sales | (235) | (48) | (389.6%) | (5) | (280) | 98.2% |
| Total Electric Sales - Duke Energy Indiana | 8,923 | 9,071 | (1.6%) | 25,684 | 25,501 | 0.7% |
| **Average Number of Customers** | | | | | | |
| Residential | 681,127 | 676,220 | 0.7% | 682,547 | 678,358 | 0.6% |
| General Service | 100,208 | 100,076 | 0.1% | 100,102 | 99,722 | 0.4% |
| Industrial | 2,754 | 2,773 | (0.7%) | 2,737 | 2,758 | (0.8%) |
| Other Energy | 1,436 | 1,407 | 2.1% | 1,430 | 1,395 | 2.5% |
| Total Regular Sales | 785,525 | 780,476 | 0.6% | 786,816 | 782,233 | 0.6% |
| Special Sales | 10 | 11 | (9.1%) | 11 | 11 | 0.0% |
| Total Avg Number Electric Customers - Duke Energy Indiana | 785,535 | 780,487 | 0.6% | 786,827 | 782,244 | 0.6% |
| **Heating and Cooling Degree Days** | | | | | | |
| **Actual** | | | | | | |
| Heating Degree Days | 24 | 16 | 50.0% | 1,816 | 2,544 | (28.6%) |
| Cooling Degree Days | 958 | 992 | (3.4%) | 1,478 | 1,372 | 7.7% |
| **Variance from Normal** | | | | | | |
| Heating Degree Days | 100.0% | 6.7% | n/a | (27.9%) | 3.3% | n/a |
| Cooling Degree Days | 24.1% | 35.7% | n/a | 33.0% | 30.4% | n/a |

**DUKE ENERGY CORPORATION**
**ADJUSTED TO REPORTED EARNINGS RECONCILIATION**
**Three Months Ended September 30, 2011**
**(Dollars in millions, except per-share amounts)**

| | | Special Items | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Earnings | Costs to Achieve, Progress Merger | Edwardsport Impairment | Emission Allowances Impairment | Economic Hedges (Mark-to-Market) * | Discontinued Operations | Total Adjustments | Reported Earnings |
| ***SEGMENT INCOME*** | | | | | | | | |
| **U.S. Franchised Electric and Gas** | $ 472 | $ - | $ (135) **C** | $ - | $ - | $ - | $ (135) | $ 337 |
| **Commercial Power** | 74 | - | - | (51) **E** | 1 **B** | - | (50) | 24 |
| **International Energy** | 115 | | - | - | - | - | - | 115 |
| **Total Reportable Segment Income** | 661 | - | (135) | (51) | 1 | - | (185) | 476 |
| **Other** | 5 | (10) **A** | | - | - | - | (10) | (5) |
| **Total Reportable Segment Income and Other Net Expense** | **666** | **(10)** | **(135)** | **(51)** | **1** | **-** | **(195)** | **471** |
| **Discontinued Operations** | - | | | | | 1 **D** | 1 | 1 |
| ***Net Income (Loss) Attributable to Duke Energy Corporation*** | **$ 666** | **$ (10)** | **$ (135)** | **$ (51)** | **$ 1** | **$ 1** | **$ (194)** | **$ 472** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC*** | **$ 1.50** | **$ (0.02)** | **$ (0.30)** | **$ (0.12)** | **$ -** | **$ -** | **$ (0.44)** | **$ 1.06** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED*** | **$ 1.50** | **$ (0.02)** | **$ (0.30)** | **$ (0.12)** | **$ -** | **$ -** | **$ (0.44)** | **$ 1.06** |

**A - Net of $3 million tax benefit. Recorded in Operation, maintenance and other (Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**B - Net of insignificant tax expense. $2 million gain recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and $1 million loss recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**C - Net of $87 million tax benefit. Recorded in Impairment charges within Operating Expenses on the Condensed Consolidated Statements of Operations.**

**D - Recorded in Income (Loss) From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.**

**E - Net of $28 million tax benefit. Recorded in Impairment charges within Operating Expenses on the Condensed Consolidated Statements of Operations.**

**Weighted Average Shares (reported and adjusted) - in millions**

| | |
|---|---|
| **Basic** | **444** |
| **Diluted** | **444** |

*** Represents the mark-to-market impact of derivative contracts in the non-native portfolio, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge or regulatory accounting, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.**

**DUKE ENERGY CORPORATION**
**ADJUSTED TO REPORTED EARNINGS RECONCILIATION**
**Nine Months Ended September 30, 2011**
**(Dollars in millions, except per-share amounts)**

| | | Special Items | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Earnings | Costs to Achieve, Progress Merger | Edwardsport Impairment | Emission Allowances Impairment | Economic Hedges (Mark-to-Market) * | Discontinued Operations | Total Adjustments | Reported Earnings |
| ***SEGMENT INCOME*** | | | | | | | | |
| **U.S. Franchised Electric and Gas** | $ 1,110 | $ - | $ (135) **C** | $ - | $ - | $ - | $ (135) | $ 975 |
| **Commercial Power** | 156 | - | - | (51) **E** | (2) **B** | - | (53) | 103 |
| **International Energy** | 370 | | - | - | - | - | - | 370 |
| **Total Reportable Segment Income** | 1,636 | - | (135) | (51) | (2) | - | (188) | 1,448 |
| **Other** | (8) | (23) **A** | | - | - | - | (23) | (31) |
| **Total Reportable Segment Income and Other Net Expense** | **1,628** | **(23)** | **(135)** | **(51)** | **(2)** | **-** | **(211)** | **1,417** |
| **Discontinued Operations** | - | | | | | 1 **D** | 1 | 1 |
| ***Net Income (Loss) Attributable to Duke Energy Corporation*** | **$ 1,628** | **$ (23)** | **$ (135)** | **$ (51)** | **$ (2)** | **$ 1** | **$ (210)** | **$ 1,418** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC*** | **$ 3.67** | **$ (0.05)** | **$ (0.30)** | **$ (0.12)** | **$ (0.01)** | **$ -** | **$ (0.48)** | **$ 3.19** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED*** | **$ 3.67** | **$ (0.05)** | **$ (0.30)** | **$ (0.12)** | **$ (0.01)** | **$ -** | **$ (0.48)** | **$ 3.19** |

**A - Net of $6 million tax benefit. Recorded in Operation, maintenance and other (Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**B - Net of $1 million tax benefit. Recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**C - Net of $87 million tax benefit. Recorded in Impairment charges within Operating Expenses on the Condensed Consolidated Statements of Operations.**

**D - Recorded in Income (Loss) From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.**

**E - Net of $28 million tax benefit. Recorded in Impairment charges within Operating Expenses on the Condensed Consolidated Statements of Operations.**

**Weighted Average Shares (reported and adjusted) - in millions**

| | |
|---|---|
| **Basic** | **444** |
| **Diluted** | **444** |

*** Represents the mark-to-market impact of derivative contracts, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge or regulatory accounting, used in Duke Energy Corporation's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, gas, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.**

**DUKE ENERGY CORPORATION**
**ADJUSTED TO REPORTED EARNINGS RECONCILIATION**
**Three Months Ended September 30, 2012**
**(Dollars in millions, except per-share amounts)**

| | | Special Items | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Earnings | Costs to Achieve, Progress Merger | DNC Host Committee Support | Edwardsport Impairment | Economic Hedges (Mark-to-Market) * | Discontinued Operations | Total Adjustments | Reported Earnings |
| ***SEGMENT INCOME*** | | | | | | | | |
| **U.S. Franchised Electric and Gas** | $ 907 | $ - | $ - | $ (117) **E** | $ - | $ - | $ (117) | $ 790 |
| **Commercial Power** | 31 | - | - | - | (19) **B** | - | (19) | 12 |
| **International Energy** | 103 | - | - | - | - | - | - | 103 |
| **Total Reportable Segment Income** | 1,041 | - | - | (117) | (19) | - | (136) | 905 |
| **Other** | (16) | (293) **A** | (6) **D** | | - | - | (299) | (315) |
| **Total Reportable Segment Income and Other Net Expense** | **$ 1,025** | **$ (293)** | **$ (6)** | **$ (117)** | **$ (19)** | **$ -** | **$ (435)** | **590** |
| **Discontinued Operations** | - | | | | | 4 **C** | 4 | 4 |
| ***Net Income (Loss) Attributable to Duke Energy Corporation*** | **$ 1,025** | **$ (293)** | **$ (6)** | **$ (117)** | **$ (19)** | **$ 4** | **$ (431)** | **$ 594** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC*** | **$ 1.47** | **$ (0.42)** | **$ (0.01)** | **$ (0.17)** | **$ (0.03)** | **$ 0.01** | **$ (0.62)** | **$ 0.85** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED*** | **$ 1.47** | **$ (0.42)** | **$ (0.01)** | **$ (0.17)** | **$ (0.03)** | **$ 0.01** | **$ (0.62)** | **$ 0.85** |

**A - Net of $164 million tax benefit. $366 million recorded in Operation, maintenance and other, $86 million recorded in Impairment charges (all Operating Expenses) and $5 million recorded in Interest Expense on the Condensed Consolidated Statements of Operations.**

**B - Net of $12 million tax benefit. $30 million loss recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and $1 million loss recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**C - Recorded in Income (Loss) From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.**

**D - Net of $4 million tax benefit. Recorded within Operation, maintenance and other (Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**E - Net of $63 million tax benefit. Recorded in Impairment charges (Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**Weighted Average Shares (reported and adjusted) - in millions**

| | |
|---|---|
| **Basic** | **699** |
| **Diluted** | **699** |

*** Represents the mark-to-market impact of derivative contracts, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge or regulatory accounting, used in Duke Energy Corporation's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, gas, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.**

**DUKE ENERGY CORPORATION**
**ADJUSTED TO REPORTED EARNINGS RECONCILIATION**
**Nine Months Ended September 30, 2012**
**(Dollars in millions, except per-share amounts)**

| | | Special Items | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Adjusted Earnings | Costs to Achieve, Progress Merger | Voluntary Opportunity Plan Deferral | Edwardsport Impairment | DNC Host Committee Support | Economic Hedges (Mark-to-Market) * | Discontinued Operations | Total Adjustments | Reported Earnings |
| ***SEGMENT INCOME*** | | | | | | | | | |
| **U.S. Franchised Electric and Gas** | $ 1,588 | $ - | $ 60 C | $ (385) E | $ - | $ - | $ - | $ (325) | $ 1,263 |
| **Commercial Power** | 93 | - | - | - | - | (22) B | - | (22) | 71 |
| **International Energy** | 350 | - | - | - | - | - | - | - | 350 |
| **Total Reportable Segment Income** | 2,031 | - | 60 | (385) | - | (22) | - | (347) | 1,684 |
| **Other** | (44) | (306) A | - | - | (6) F | - | - | (312) | (356) |
| **Total Reportable Segment Income and Other Net Expense** | **1,987** | **(306)** | **60** | **(385)** | **(6)** | **(22)** | **-** | **(659)** | **1,328** |
| **Discontinued Operations** | - | - | - | - | - | - | 5 D | 5 | 5 |
| ***Net Income (Loss) Attributable to Duke Energy Corporation*** | **$ 1,987** | **$ (306)** | **$ 60** | **$ (385)** | **$ (6)** | **$ (22)** | **$ 5** | **$ (654)** | **$ 1,333** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC*** | **$ 3.74** | **$ (0.58)** | **$ 0.11** | **$ (0.72)** | **$ (0.01)** | **$ (0.04)** | **$ 0.01** | **$ (1.23)** | **$ 2.51** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED*** | **$ 3.74** | **$ (0.58)** | **$ 0.11** | **$ (0.72)** | **$ (0.01)** | **$ (0.04)** | **$ 0.01** | **$ (1.23)** | **$ 2.51** |

**A - Net of $166 million tax benefit. $381 million recorded in Operation, maintenance and other, $86 million recorded in Impairment charges (all Operating Expenses) and $5 million recorded in Interest Expense on the Condensed Consolidated Statements of Operations.**

**B - Net of $13 million tax benefit. $33 million loss recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and $2 million loss recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**C - Net of $39 million tax expense. $101 million revenue recorded in Operation, maintenance and other and $2 million expense recorded in Depreciation and amortization (all Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**D - Recorded in Income (Loss) From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.**

**E - Net of $215 million tax benefit. $580 million recorded in Impairment charges and $20 million recorded within Operation, maintenance and other (all Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**F - Net of $4 million tax benefit. Recorded within Operation, maintenance and other (Operating Expenses) on the Condensed Consolidated Statements of Operations.**

**Weighted Average Shares (reported and adjusted) - in millions**

| | |
|---|---|
| **Basic** | **531** |
| **Diluted** | **531** |

*** Represents the mark-to-market impact of derivative contracts, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge or regulatory accounting, used in Duke Energy Corporation's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, gas, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.**

**Duke Energy Corporation**
**Operations and Maintenance Expense**
**For the Three and Nine Months Ended September 30, 2012 and 2011**
**(In millions)**

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | **September 30, 2012** | **September 30, 2011** | **September 30, 2012** | **September 30, 2011** |
| **Operation, maintenance and other (a)** | **$1,654** | **$866** | **$3,262** | **$2,705** |
| Adjustments: | | | | |
| Costs to Achieve, Progress Merger (b) | (366) | (13) | (381) | (29) |
| Voluntary Opportunity Plan Deferral (b) | - | - | 101 | - |
| Edwardsport Legal Fees (b)(c) | - | - | (20) | - |
| DNC Host Committee Support (b) | (10) | - | (10) | - |
| Reagents Recoverable (d) | (17) | (15) | (44) | (39) |
| Energy Efficiency Recoverables (d) | (66) | (25) | (129) | (64) |
| Other Deferrals and Recoverables (d) | (19) | (7) | (36) | (40) |
| RTO Costs (d) | (2) | (10) | (6) | (31) |
| **Adjusted Operation, maintenance and other** | **$1,174** | **$796** | **$2,737** | **$2,502** |

(a) As reported in the Condensed Consolidated Statements of Operations

(b) Presented as a special item for purposes of calculating adjusted diluted earnings per share

(c) Recorded in the first quarter of 2012 as part of the Edwardsport Impairment resulting from the settlement agreement with the Indiana Office of Consumer Counselor, the Duke Energy Industrial Group, and Nucor Steel - Indiana

(d) Primarily represents expenses to be deferred or recovered through rate riders

Note: Includes Progress Energy expenses beginning July 2, 2012.



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