Safe Harbor statement
This presentation includes forward-looking statements within the meaning of the federal securities laws. Actual results could differ materially from such forward-looking statements. The factors that could cause actual results to differ are discussed in the Appendix herein and in Duke Energy’s SEC filings, available at www.sec.gov.

Regulation G disclosure
In addition, today’s discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available in the Appendix herein and on our Investor Relations website at www.duke-energy.com/investors/.
Duke Energy – A large scale, highly regulated energy infrastructure company

Headquartered in Charlotte, NC

$61 B
Market Cap
(As of 8/31/2017)

$133 B
Total Assets
(As of 12/31/2016)

29 K
Employees
(As of 12/31/2016)

49 GWs
Total Generating Capacity
(As of 12/31/2016)

ELECTRIC UTILITIES & INFRASTRUCTURE

- Operating in six constructive jurisdictions, with attractive allowed ROEs, serving 7.5 million retail customers
- Below average customer rates\(^{(1)}\)
- Balanced generation portfolio
- Industry-leading safety performance, as recognized by EEI

GAS UTILITIES & INFRASTRUCTURE

- Five state LDCs serving 1.6 million customers
- Strong earnings trajectory driven by customer growth, system integrity improvements, and continued expansion of natural gas infrastructure
- Significant investments in midstream natural gas pipelines and storage facilities

COMMERCIAL RENEWABLES

- Invested more than $5 billion over the past 10 years
- Approximately 3 GWs of wind and solar on-line
- Long-term Power Purchase Agreements with creditworthy counterparties

\(^{(1)}\) Source: EEI Typical Bills and Average Rates Report, Winter 2017
INVESTING IN INFRASTRUCTURE OUR CUSTOMERS VALUE.
DELIVERING SUSTAINABLE GROWTH.

Large-scale U.S. electric and gas utility creating a cleaner energy future

Constructive regulatory jurisdictions in desirable communities

Proven track record of delivering our commitments

Solid long-term investment, with attractive risk-adjusted total shareholder return
The next decade

**ACHIEVE**

**TOP QUARTILE CUSTOMER SATISFACTION**

MODERNIZE THE ENERGY GRID

$25 B INVESTMENTS IN GRID MODERNIZATION OVER 10 YEARS

GENERATE CLEANER ENERGY

$11 B INVESTMENTS IN CLEANER GENERATION OVER 10 YEARS\(^{(1)}\)

EXPAND NATURAL GAS INFRASTRUCTURE

15% PROPORTION OF OUR BUSINESS MIX FROM GAS IN 10 YEARS FROM 8% TODAY\(^{(2)}\)

REVENUES RECOVERED VIA MODERN REGULATORY MECHANISMS WITHIN 10 YEARS

ALL JURISDICTIONS

---

\(^{(1)}\) Includes natural gas and renewables generation. Excludes nuclear relicensing and new nuclear projects

\(^{(2)}\) Based on adjusted diluted EPS
Our investor proposition

**A SOLID LONG-TERM HOLDING**

- **4.1%**
  - Dividend Yield ($^{(1)}$)
  - With Dividend Growth Commitment ($^{(2)}$)

- **~8-10%**
  - Attractive Risk-Adjusted Total Shareholder Return ($^{(3)}$)

- **4-6%**
  - Highly Achievable EPS Growth Through 2021 ($^{(4)}$)

**SUPPORTED BY THE STRENGTH OF OUR BALANCE SHEET**

---

$^{(1)}$ As of Aug. 31, 2017

$^{(2)}$ 4-6% dividend growth subject to approval by the Board of Directors

$^{(3)}$ Total shareholder return proposition at a constant P/E ratio

$^{(4)}$ Based on adjusted diluted EPS off the midpoint of the 2017 guidance range of $4.50-$4.70 per share most recently affirmed in the Second Quarter 2017 Earnings Review and Business Update on Aug. 3, 2017
70 - 75% EXPECTED PAYOUT RATIO THROUGH 2021\(^{(1)}\)

4 - 6% ANNUAL DIVIDEND GROWTH

~75% OF TSR ACHIEVED THROUGH DIVIDEND REINVESTMENT OVER LAST 20 YEARS

DUK ANNUALIZED DIVIDEND PER SHARE\(^{(2)}\)

(1) Based on adjusted diluted EPS; as originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017

(2) Reflects annualized Q3 dividend per share for each year

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$3.18</td>
</tr>
<tr>
<td>2015</td>
<td>$3.30</td>
</tr>
<tr>
<td>2016</td>
<td>$3.42</td>
</tr>
<tr>
<td>2017E</td>
<td>$3.56</td>
</tr>
</tbody>
</table>

~4% Growth
Complementary businesses with strong growth opportunities

### ELECTRIC UTILITIES & INFRASTRUCTURE

- **2017 ADJUSTED EPS CONTRIBUTION**
  - Commercial Renewables: 3%
  - Gas Utilities & Infrastructure: 8%
  - Electric Utilities & Infrastructure: 89%

- **2017-2021 GROWTH CAPITAL**
  - $30 B
  - $6 B
  - $1 B

- **Consolidated ADJUSTED EPS CAGR**
  - 4-6%
  - 10-12%
  - 8-12%

(1) Based upon the midpoint of the 2017 adjusted diluted EPS guidance range of $4.50-$4.70 per share most recently affirmed in the Second Quarter 2017 Earnings Review and Business Update on Aug. 3, 2017; consolidated growth rate includes the impact of Other.

Map credit: SNL
Consolidated financial plan underpinned by significant growth capital

4 - 6%
GROWTH IN EPS(1)
THROUGH 2021
OFF 2017 GUIDANCE MIDPOINT OF $4.60

$37 B
GROWTH CAPITAL PLAN
OVER 5 YEARS DRIVES ROBUST EARNINGS GROWTH(2)

2017 - 2021
BALANCED GROWTH CAPITAL PLAN(2)

$37 B
Total

- Electric Distribution 36%
- Electric Transmission 10%
- Environmental 12%
- Electric Generation 22%
- Gas Midstream 9%
- Commercial Renewables, 3%
- LDC Infrastructure, 4%
- Electric Utilities, 1%
- Integrity Mgmt., 4%

2017 - 2021(3)
REGULATED ELECTRIC AND GAS EARNINGS BASE

- Electric Generation 22%
- Electric Transmission 10%
- Electric Distribution 36%
- Electric Utilities & Infrastructure
- Gas Utilities & Infrastructure
- Commercial Renewables

$62 $66 $71 $75 $79 $83

~6.1% Electric and Gas Growth CAGR

2017 – 2021 ADJUSTED EPS CAGR(1)

Consolidated

- 4-6%
- 8-12%
- 10-12%
- 4-5%

(1) Based upon the midpoint of the 2017 adjusted diluted EPS guidance range of $4.50-$4.70 per share most recently affirmed in the Second Quarter 2017 Earnings Review and Business Update on Aug. 3, 2017; consolidated growth rate includes the impact of Other.


(3) Illustrative earnings base for presentation purposes only and includes retail and wholesale; amounts as of the end of each year shown; projected earnings base = prior period earnings base + capex - D&A - deferred taxes.
Robust growth capital plan driving electric earnings base growth

$30 B
GROWTH CAPITAL PLAN FOR ELECTRIC UTILITIES AND INFRASTRUCTURE OVER 5 YEARS

2017 - 2021 ELECTRIC UTILITIES & INFRASTRUCTURE GROWTH CAPITAL PLAN

- $30 B
- Electric Distribution: 45%
- Electric Generation: 28%
- Electric Transmission: 12%
- Environmental: 15%
- Electric Distribution: 45%

2017 - 2021 REGULATED ELECTRIC EARNINGS BASE

- ~5.6% Electric Growth CAGR
- $57
- $60
- $64
- $67
- $71
- $74

(1) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
(2) Illustrative earnings base for presentation purposes only and includes retail and wholesale; amounts as of the end of each year shown; projected earnings base = prior period earnings base + capex - D&A - deferred taxes
Our generation investments result in significantly reduced emissions.

$11 B INVESTMENTS IN CLEANER GENERATION OVER 10 YEARS

35% CO₂ REDUCTION BY 2026 FROM 2005 LEVELS

FUEL DIVERSITY (MWh OUTPUT)

(1) Excludes any spend related to nuclear relicensing and new nuclear projects
(3) 2026 estimate does not reflect the EPA Clean Power Plan
(4) 2026 carbon reduction will be influenced by customer demand, generation mix, weather, fuel availability and prices
Investing in cleaner energy for a low-carbon future

$3.3 B
TO BE INVESTED IN REGULATED NATURAL GAS-FIRED GENERATION OVER 5 YEARS

$1.3 B
INVESTMENTS IN REGULATED CARBON-FREE GENERATION OVER 5 YEARS

Map credit: SNL

(1) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017. Investment amount includes projects that will reach commercial operations within the 5-year period, as well as capital investments in new generation projects achieving commercial operation after the 5-year period. Project amounts above represent total project costs, including amounts spent prior to 2017.
Continuing to invest in the grid, with an emerging focus on the Carolinas.

2017 - 2021
SPEND BY CATEGORY

$10 B
OF GRID INVESTMENTS
OVER NEXT 5 YEARS

60%
OF TOTAL TO BE INVESTED
IN THE CAROLINAS

Advanced Metering
13%
Targeted Undergrounding
24%
Storm Hardening & Resiliency
44%
Self Optimizing Grid
10%
Advanced Systems & Communications
9%

AMI DEPLOYMENT TODAY

DE OHIO 100%
DE CAROLINAS 30%
DE KENTUCKY 27%
DE INDIANA 4%
DE FLORIDA 4%
DE PROGRESS 4%

(1) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
Managing regulatory lag to earn our allowed ROEs

**EARNING ALLOWED ROEs WITH NO SIGNIFICANT RATE CASES SINCE 2013**

**REGULATORY LAG MITIGATED BY CUSTOMER GROWTH, FOCUSED COST MANAGEMENT EFFORTS AND WHOLESALE EXPANSION**

---

**CUSTOMER GROWTH AND VOLUME TRENDS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Weather-normal retail load growth</th>
<th>Growth in # of customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2015</td>
<td>1.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2016</td>
<td>1.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>2017E</td>
<td>1.3%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

---

**O&M COST MANAGEMENT ($ IN BILLIONS)**

- **GAAP O&M**:

---

**ADJUSTED BOOK ROEs**

- **Carolinas**: 2014: 10.6%, 2015: 10.0%, 2016: 10.4%, 2017E: 10.0–10.5%
- **Florida**: 2014: 11.2%, 2015: 11.8%, 2016: 11.4%, 2017E: 11.0–11.5%
- **Indiana**: 2014: 9.4%, 2015: 9.9%, 2016: 9.9%, 2017E: 9.5–10.0%
- **OH/KY**: 2014: 10.6%, 2015: 10.4%, 2016: 9.0–9.5%, 2017E: 11.4%

---

(1) 2017 assumptions as originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
(2) Adjusted book ROEs exclude special items and are based on average book equity less Goodwill. Adjusted ROEs also include wholesale and are not adjusted for the impacts of weather. Regulatory ROEs will differ from Adjusted Book ROEs
(3) Combined electric and gas utilities
(4) Excludes Midwest Generation Business O&M (sold in April 2015), Latin American Generation Business (sold in December 2016)
(5) Excludes Piedmont Natural Gas, added beginning October 2016, to show trend
Recovery of electric investments through frequent rate activity

<table>
<thead>
<tr>
<th>JURISDICTION</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>KEY DRIVERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEC – NC</td>
<td>Filed 8/25/17</td>
<td>Planning for multiple rate cases</td>
<td>2017: Lee CCGT, solar, coal ash, nuclear</td>
<td>2018-2021: Grid modernization</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEC – SC</td>
<td></td>
<td>Planning for multiple rate cases</td>
<td>2018-2021: Grid modernization, coal ash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEP – SC</td>
<td></td>
<td>Planning for multiple rate cases</td>
<td>2018-2021: WCMP CCGT, grid mod</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEF</td>
<td>GBRA</td>
<td>GBRA</td>
<td>Planned(^{(1)})</td>
<td>2019-2021: Grid mod, renewables</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEI</td>
<td>TDSIC / Environmental riders – Filed at least annually(^{(2)})</td>
<td>2017: Smart grid rider to base rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEO – Electric T&amp;D</td>
<td>Filed 3/2/17</td>
<td>Distribution / Transmission investment riders – Filed quarterly / annually</td>
<td>2017: East Bend and other investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEK – Electric</td>
<td>Filed 9/1/17</td>
<td>Planned</td>
<td>2017: East Bend and other investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We will monitor our regulated ROEs and file rate cases as frequently as necessary and pursue alternative recovery mechanisms

\(^{(1)}\) A 2017 Second Revised and Restated Settlement Agreement was announced Aug. 29, 2017 that would freeze rates through 2021, other than agreed upon base rate changes; the agreement is subject to review and approval by the Florida Public Service Commission, which is expected by the end of 2017

\(^{(2)}\) We are evaluating a range of scenarios prior to a required rate case by the end of 2022 (TDSIC conclusion) which could include cost management, capital optimization, or a general rate case filing
Robust growth capital plan driving gas earnings base growth

2017 - 2021
GROWTH CAPITAL PLAN(1)

$6 B

EXPAND NATURAL GAS INFRASTRUCTURE

GROWTH CAPITAL PLAN FOR GAS UTILITIES AND INFRASTRUCTURE OVER 5 YEARS(1)

50/50 GROWTH CAPITAL PLAN DIVIDED BETWEEN THE LDC AND MIDSTREAM PIPELINES

2017 - 2021
REGULATED GAS EARNINGS BASE(2)

~11.2% Gas Growth CAGR

$6 B

Gas Midstream 52%
LDC Infrastructure 23%
Electric Utilities 5%
Integrity Management 21%

$5.2 $6.0 $7.3 $8.2 $8.7 $8.8


(1) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
(2) Illustrative earnings base for presentation purposes only and includes retail and wholesale; amounts as of the end of each year shown; projected earnings base = prior period earnings base + capex - D&A - deferred taxes
Stable-margin LDCs with strong customer growth

EXPAND NATURAL GAS INFRASTRUCTURE

90% RESIDENTIAL CUSTOMERS

92% MOSTLY FIXED MARGINS

LOW VOLUMETRIC EXPOSURE DUE TO MOSTLY FIXED MARGINS...

...WITH EARNINGS Driven By INVESTMENT AND STRONG CUSTOMER GROWTH

(1) 2017 assumptions as originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
(2) As of Oct. 31, 2016
(3) Piedmont CAGR: 1.5%, Midwest LDC CAGR: 0.5%

CUSTOMER MIX AS OF JUNE 30, 2017

ANNUAL GROWTH IN NUMBER OF RESIDENTIAL CUSTOMERS AS OF JUNE 30, 2017

(1) 2017 assumptions as originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
(2) As of Oct. 31, 2016
(3) Piedmont CAGR: 1.5%, Midwest LDC CAGR: 0.5%
Enabling clean energy through midstream pipeline investments

**EXPAND NATURAL GAS INFRASTRUCTURE**

**$3.3 B INVESTMENTS IN MIDSTREAM PIPELINES OVER 5 YEARS**

**Atlantic Coast Pipeline**
- 47% joint owner with projected investment of up to $2.4 billion
- Received final EIS from FERC on July 21, 2017
- ~95% subscribed; projected in service by late 2019

**Sabal Trail Pipeline**
- 7.5% joint owner with projected investment of up to $225 million
- Mainline in-service

**Constitution Pipeline**
- 24% joint owner with projected investment of up to $225 million
- Permitting still pending; projected in service as early as the 1H of 2019

*Map credit: SNL*

(1) Investment level will depend upon how the project and Duke investment are financed

(2) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
BUILDING SCALE SINCE ENTERING COMMERCIAL RENEWABLES SPACE IN 2007…

- Invested more than $5 billion over the past 10 years
- Long-term power purchase agreements with creditworthy counterparties
- Emerging focus in our regulated electric utilities

...TO BECOME A TOP FIVE RENEWABLES COMPANY IN THE U.S. (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wind MW</th>
<th>Solar MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>239</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>603</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>895</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>929</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>1,575</td>
<td>104</td>
</tr>
<tr>
<td>2013</td>
<td>1,601</td>
<td>107</td>
</tr>
<tr>
<td>2014</td>
<td>1,671</td>
<td>106</td>
</tr>
<tr>
<td>2015</td>
<td>2,350</td>
<td>107</td>
</tr>
<tr>
<td>2016</td>
<td>2,893</td>
<td>107</td>
</tr>
</tbody>
</table>

1,000 MW OF WIND PROJECTS PTC QUALIFIED FOR FUTURE INVESTMENT

$1 B COMMERCIAL RENEWABLES INVESTMENTS OVER 5 YEARS (3)

(1) In service as of Dec. 31, 2016
(2) Source: SNL Energy; top 15 owners by MW capacity
(3) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
## Appendix materials

<table>
<thead>
<tr>
<th>Item</th>
<th>Slide(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 guidance support</td>
<td>21-35</td>
</tr>
<tr>
<td>Financing assumptions</td>
<td>36-43</td>
</tr>
<tr>
<td>Regulatory overview</td>
<td>44-50</td>
</tr>
<tr>
<td>Electric Utilities &amp; Infrastructure supplement</td>
<td>51-54</td>
</tr>
<tr>
<td>Gas Utilities &amp; Infrastructure supplement</td>
<td>55-57</td>
</tr>
<tr>
<td>Commercial Renewables supplement</td>
<td>58-60</td>
</tr>
</tbody>
</table>
2017 guidance support
Duke Energy business segment structure

(1) On Apr. 1, 2017, Piedmont transferred its ownership interests in ACP and Constitution to a wholly owned subsidiary of Duke Energy
## Key 2017 earnings sensitivities

<table>
<thead>
<tr>
<th>Driver</th>
<th>EPS Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Utilities &amp; Infrastructure</td>
<td></td>
</tr>
<tr>
<td>1% change in earned return on equity</td>
<td>+/- $0.40</td>
</tr>
<tr>
<td>$1 billion change in rate base</td>
<td>+/- $0.08</td>
</tr>
<tr>
<td>1% change in Electric Utilities volumes</td>
<td>+/- $0.10</td>
</tr>
<tr>
<td>Gas Utilities &amp; Infrastructure</td>
<td></td>
</tr>
<tr>
<td>1% change in earned return on equity</td>
<td>+/- $0.04</td>
</tr>
<tr>
<td>$200 million change in rate base</td>
<td>+/- $0.01</td>
</tr>
<tr>
<td>1% change in number of new customers</td>
<td>+/- $0.01</td>
</tr>
<tr>
<td>Consolidated</td>
<td>+/- $0.08</td>
</tr>
<tr>
<td>Other</td>
<td>+/- $0.01 - 0.02</td>
</tr>
<tr>
<td>1% change in interest rates(2)</td>
<td></td>
</tr>
<tr>
<td>$10/barrel change in Brent crude oil prices</td>
<td></td>
</tr>
</tbody>
</table>

*Note: EPS amounts based on forecasted 2017 share count of ~700 million shares*

(1) 2017 assumptions as originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017

(2) Based on average variable-rate debt outstanding throughout the year.
2016 – 2017 adjusted diluted EPS waterfall

**2016 Actual Adjusted EPS**

- **$4.69**
  - ▲ Normal storm activity
  - ▲ DEP SC rate case
  - ▲ Investments (FL GBRA, MW riders, etc.)
  - ▲ Load growth
  - ▼ Lag in DEC/DEP NC prior to rate cases

**2017 EPS Guidance Range**

- ▼ Full year dilution of shares issued for Piedmont
- ▼ Additional interest expense at HoldCo

**$4.50 - $4.70**

**2016 Weather ($0.14)**

- **$4.69**
  - ▲ Full year of Piedmont

**Electric Utilities & Infrastructure $0.26**

- **$4.69**
  - ▲ Normal wind conditions
  - ▲ New wind resources

**Gas Utilities & Infrastructure $0.19**

**Commercial Renewables $0.04**

**International ($0.35)**

**Share dilution & Other ($0.09)**

---

(1) As most recently affirmed in the Second Quarter 2017 Earnings Review and Business Update on Aug. 3, 2017
YTD 2016 – YTD 2017 adjusted diluted EPS waterfall

YTD 2016
Adjusted EPS

YTD 2017
Adjusted EPS

(1) Due to the Piedmont acquisition and the sale of International Energy in the fourth quarter of 2016, Duke Energy's segment structure has been realigned. The Other segment now includes the results of National Methanol Company (NMC), which were previously included in the International Energy segment.
Key 2017 adjusted earnings guidance assumptions

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Original 2017 assumptions (1)</th>
<th>2017 YTD (thru 6/30/2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted segment income/(expense) (2):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Utilities &amp; Infrastructure</td>
<td>$3,109</td>
<td>$1,364</td>
</tr>
<tr>
<td>Gas Utilities &amp; Infrastructure</td>
<td>$282</td>
<td>$160</td>
</tr>
<tr>
<td>Commercial Renewables</td>
<td>$99</td>
<td>$51</td>
</tr>
<tr>
<td>Other (268)</td>
<td>($268)</td>
<td>($142)</td>
</tr>
<tr>
<td>Duke Energy Consolidated</td>
<td>$3,222</td>
<td>$1,433</td>
</tr>
</tbody>
</table>

**Additional consolidated information:**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense</td>
<td>$1,974</td>
<td>$977</td>
</tr>
<tr>
<td>Adjusted effective tax rate</td>
<td>32-33%</td>
<td>32.4%</td>
</tr>
<tr>
<td>Debt AFUDC and capitalized interest</td>
<td>$124</td>
<td>$68</td>
</tr>
<tr>
<td>AFUDC equity</td>
<td>$278</td>
<td>$125</td>
</tr>
<tr>
<td>Capital expenditures (3)(4)</td>
<td>$9,425</td>
<td>$4,463</td>
</tr>
<tr>
<td>Weighted-average shares outstanding</td>
<td>~700 million</td>
<td>~700 million</td>
</tr>
</tbody>
</table>

---

(1) As disclosed on Feb. 16, 2017
(2) Adjusted net income for 2017 assumption is based upon midpoint of adjusted diluted EPS guidance range of $4.50 to $4.70, most recently affirmed in the Second Quarter 2017 Earnings Review and Business Update on Aug. 3, 2017
(3) Includes debt AFUDC and capitalized interest. Original 2017 assumption includes ~$650 million of 2017 projected coal ash closure spend
(4) Includes coal ash closure spend of $245 million in 2017 YTD that was included in operating cash flows
## Electric utilities quarterly weather impacts

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
<td>($175)</td>
<td>700</td>
<td>($0.15)</td>
<td>(10)</td>
<td>689</td>
<td>($0.01)</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>($5)</td>
<td>700</td>
<td>($0.01)</td>
<td>40</td>
<td>690</td>
<td>$0.04</td>
</tr>
<tr>
<td>Third Quarter</td>
<td></td>
<td></td>
<td></td>
<td>$190</td>
<td>691</td>
<td>$0.17</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td></td>
<td></td>
<td></td>
<td>($70)</td>
<td>699</td>
<td>($0.06)</td>
</tr>
<tr>
<td>Year-to-Date(1)</td>
<td>($180)</td>
<td>700</td>
<td>($0.16)</td>
<td>150</td>
<td>691</td>
<td>$0.14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating degree days / Variance from normal</td>
<td>200          (9.5%)</td>
<td>179      (5.3%)</td>
<td>--                  (100.0%)</td>
<td>522          6.1%</td>
<td>475        5.8%</td>
</tr>
<tr>
<td>Cooling degree days / Variance from normal</td>
<td>570        17.3%</td>
<td>576      8.7%</td>
<td>1,112 (8.0%)</td>
<td>376        14.6%</td>
<td>372        14.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating degree days / Variance from normal</td>
<td>131        (40.5%)</td>
<td>83       (55.7%)</td>
<td>1                   (94.1%)</td>
<td>372        (24.6%)</td>
<td>313        (30.4%)</td>
</tr>
<tr>
<td>Cooling degree days / Variance from normal</td>
<td>524        6.3%</td>
<td>647       21.1%</td>
<td>1,079 (4.5%)</td>
<td>323        (2.2%)</td>
<td>332        1.2%</td>
</tr>
</tbody>
</table>
### Weather normalized volume trends, by electric jurisdiction

**Rolling Twelve Months, as of June 30, 2017**

<table>
<thead>
<tr>
<th>Electric Jurisdiction</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial (1)</th>
<th>Total Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duke Energy Carolinas</td>
<td>-0.3%</td>
<td>1.0%</td>
<td>0.9%</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Duke Energy Progress</td>
<td>-0.5%</td>
<td>0.9%</td>
<td>0.5%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Duke Energy Florida</td>
<td>0.3%</td>
<td>1.4%</td>
<td>0.9%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Duke Energy Indiana</td>
<td>1.2%</td>
<td>2.4%</td>
<td>1.2%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Duke Energy Ohio/Kentucky</td>
<td>0.2%</td>
<td>2.7%</td>
<td>1.1%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Electric Utilities</td>
<td>0.6%</td>
<td>0.8%</td>
<td>1.0%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

(1) Industrial weakness primarily related to several large phosphate customers at Duke Energy Florida who have been impacted by mine closures in the face of weakness in the agriculture industry.
### Electric Utilities Earnings Base

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Duke Energy Carolinas</td>
<td>$20.8</td>
<td>$21.8</td>
<td>$23.0</td>
<td>$24.2</td>
<td>$25.6</td>
<td>$27.1</td>
</tr>
<tr>
<td>Duke Energy Progress</td>
<td>14.5</td>
<td>15.3</td>
<td>16.7</td>
<td>17.9</td>
<td>19.0</td>
<td>19.9</td>
</tr>
<tr>
<td>Duke Energy Florida</td>
<td>11.4</td>
<td>12.4</td>
<td>12.9</td>
<td>13.6</td>
<td>14.3</td>
<td>15.4</td>
</tr>
<tr>
<td>Duke Indiana</td>
<td>7.5</td>
<td>7.6</td>
<td>7.8</td>
<td>8.0</td>
<td>8.1</td>
<td>8.1</td>
</tr>
<tr>
<td>Duke Ohio – Electric</td>
<td>2.0</td>
<td>2.2</td>
<td>2.4</td>
<td>2.6</td>
<td>2.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Duke Kentucky – Electric</td>
<td>0.6</td>
<td>0.7</td>
<td>0.8</td>
<td>0.8</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Electric Utilities Total</strong></td>
<td>$56.7</td>
<td>$60.0</td>
<td>$63.5</td>
<td>$67.1</td>
<td>$70.7</td>
<td>$74.4</td>
</tr>
</tbody>
</table>

### Gas Utilities Earnings Base

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Piedmont</td>
<td>$3.2</td>
<td>$3.5</td>
<td>$3.7</td>
<td>$3.8</td>
<td>$4.0</td>
<td>$4.1</td>
</tr>
<tr>
<td>Duke Energy Ohio – Gas</td>
<td>1.2</td>
<td>1.2</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Duke Energy Kentucky - Gas</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Natural Gas Transmission</td>
<td>0.6</td>
<td>1.0</td>
<td>2.0</td>
<td>2.7</td>
<td>3.0</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Gas Utilities Total</strong></td>
<td>$5.2</td>
<td>$6.0</td>
<td>$7.3</td>
<td>$8.2</td>
<td>$8.7</td>
<td>$8.8</td>
</tr>
</tbody>
</table>

---

1. As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017; illustrative earnings base for presentation purposes only and includes retail and wholesale; Amounts as of the end of each year shown; Projected earnings base = prior period earnings base + capex – D&A – deferred taxes
2. Totals may not foot due to rounding
### Capital expenditures profile (1)

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Generation (2)</td>
<td>$1,766</td>
<td>$1,725</td>
<td>$1,550</td>
<td>$1,700</td>
<td>$1,600</td>
<td>$1,750</td>
<td>$8,325</td>
</tr>
<tr>
<td>Electric Transmission</td>
<td>641</td>
<td>725</td>
<td>725</td>
<td>700</td>
<td>750</td>
<td>675</td>
<td>3,575</td>
</tr>
<tr>
<td>Electric Distribution</td>
<td>1,106</td>
<td>1,750</td>
<td>2,825</td>
<td>2,950</td>
<td>2,875</td>
<td>2,850</td>
<td>13,250</td>
</tr>
<tr>
<td>Environmental (3)</td>
<td>904</td>
<td>1,300</td>
<td>1,150</td>
<td>700</td>
<td>550</td>
<td>650</td>
<td>4,350</td>
</tr>
<tr>
<td><strong>Electric Utilities &amp; Infrastructure Growth Capital</strong></td>
<td>$4,417</td>
<td>$5,500</td>
<td>$6,250</td>
<td>$6,050</td>
<td>$5,775</td>
<td>$5,925</td>
<td>$29,500</td>
</tr>
<tr>
<td>Maintenance</td>
<td>2,775</td>
<td>2,125</td>
<td>1,800</td>
<td>1,950</td>
<td>1,975</td>
<td>1,875</td>
<td>9,725</td>
</tr>
<tr>
<td><strong>Total Electric Utilities &amp; Infrastructure Capital</strong></td>
<td>$7,192</td>
<td>$7,625</td>
<td>$8,050</td>
<td>$8,000</td>
<td>$7,750</td>
<td>$7,800</td>
<td>$39,225</td>
</tr>
<tr>
<td>Commercial Renewables</td>
<td>$857</td>
<td>$175</td>
<td>$275</td>
<td>$375</td>
<td>$325</td>
<td>-</td>
<td>$1,150</td>
</tr>
<tr>
<td><strong>Total Commercial Renewables Capital</strong></td>
<td>$857</td>
<td>$175</td>
<td>$275</td>
<td>$375</td>
<td>$325</td>
<td>-</td>
<td>$1,150</td>
</tr>
<tr>
<td>Midstream Pipelines (4)</td>
<td>261</td>
<td>475</td>
<td>1,125</td>
<td>1,200</td>
<td>400</td>
<td>125</td>
<td>3,325</td>
</tr>
<tr>
<td>LDC - Non-Rider</td>
<td>129</td>
<td>325</td>
<td>550</td>
<td>425</td>
<td>300</td>
<td>200</td>
<td>1,800</td>
</tr>
<tr>
<td>LDC - Rider</td>
<td>75</td>
<td>325</td>
<td>300</td>
<td>225</td>
<td>300</td>
<td>175</td>
<td>1,325</td>
</tr>
<tr>
<td><strong>Gas Utilities &amp; Infrastructure Growth Capital</strong></td>
<td>$465</td>
<td>$1,125</td>
<td>$1,975</td>
<td>$1,850</td>
<td>$1,000</td>
<td>$500</td>
<td>$6,450</td>
</tr>
<tr>
<td>Maintenance</td>
<td>75</td>
<td>175</td>
<td>200</td>
<td>175</td>
<td>150</td>
<td>175</td>
<td>875</td>
</tr>
<tr>
<td><strong>Total Gas Utilities &amp; Infrastructure Capital</strong></td>
<td>$540</td>
<td>$1,300</td>
<td>$2,175</td>
<td>$2,025</td>
<td>$1,150</td>
<td>$675</td>
<td>$7,325</td>
</tr>
<tr>
<td>Other (5)</td>
<td>168</td>
<td>325</td>
<td>275</td>
<td>325</td>
<td>250</td>
<td>275</td>
<td>1,450</td>
</tr>
<tr>
<td><strong>Total Duke Energy</strong></td>
<td>$8,757</td>
<td>$9,425</td>
<td>$10,775</td>
<td>$10,725</td>
<td>$9,475</td>
<td>$8,750</td>
<td>$49,150</td>
</tr>
</tbody>
</table>

(1) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017; amounts include AFUDC debt or capitalized interest
(2) Amount includes nuclear fuel of $2B from 2017-2021
(3) 2016 actual amounts include ~$550 million in coal ash closure spending that was included in operating cash flows
(4) Investment level will depend upon how the project and Duke investment are financed
(5) Primarily IT and real estate related costs
# Capital expenditures by utility (1)

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Generation</td>
<td>$663</td>
<td>$500</td>
<td>$450</td>
<td>$675</td>
<td>$675</td>
<td>$825</td>
<td>$3,125</td>
</tr>
<tr>
<td>Electric Transmission</td>
<td>214</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>50</td>
<td>50</td>
<td>$325</td>
</tr>
<tr>
<td>Electric Distribution</td>
<td>392</td>
<td>700</td>
<td>1,250</td>
<td>1,225</td>
<td>1,150</td>
<td>1,225</td>
<td>$5,550</td>
</tr>
<tr>
<td>Environmental(2)</td>
<td>374</td>
<td>600</td>
<td>550</td>
<td>225</td>
<td>125</td>
<td>175</td>
<td>$1,675</td>
</tr>
</tbody>
</table>

**Duke Energy Carolinas Growth Capital**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>$1,643</td>
<td>$1,875</td>
<td>$2,325</td>
<td>$2,200</td>
<td>$2,000</td>
<td>$2,275</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Generation</td>
<td>$389</td>
<td>$575</td>
<td>$700</td>
<td>$625</td>
<td>$550</td>
<td>$400</td>
<td>$2,850</td>
</tr>
<tr>
<td>Electric Transmission</td>
<td>42</td>
<td>25</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>100</td>
<td>$350</td>
</tr>
<tr>
<td>Electric Distribution</td>
<td>253</td>
<td>350</td>
<td>825</td>
<td>825</td>
<td>775</td>
<td>725</td>
<td>$3,500</td>
</tr>
<tr>
<td>Environmental(3)</td>
<td>261</td>
<td>400</td>
<td>375</td>
<td>300</td>
<td>275</td>
<td>325</td>
<td>$1,675</td>
</tr>
</tbody>
</table>

**Duke Energy Progress Growth Capital**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>$945</td>
<td>$1,350</td>
<td>$1,975</td>
<td>$1,825</td>
<td>$1,675</td>
<td>$1,550</td>
</tr>
</tbody>
</table>

**Total Duke Energy Carolinas Capital**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>861</td>
<td>850</td>
<td>650</td>
<td>675</td>
<td>725</td>
<td>675</td>
<td>3,575</td>
</tr>
</tbody>
</table>

**Total Duke Energy Progress Capital**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>1,002</td>
<td>600</td>
<td>500</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>2,900</td>
</tr>
</tbody>
</table>

- As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017: amounts include AFUDC debt
- 2016 actual amounts include $287 million in coal ash closure spending that was included in operating cash flows
- 2016 actual amounts include $213 million in coal ash closure spending that was included in operating cash flows
## Capital expenditures by utility (continued)\(^{(1)}\)

\[\text{(\$ in millions)}\]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Duke Energy Florida</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Generation</td>
<td>$660</td>
<td>$550</td>
<td>$250</td>
<td>$300</td>
<td>$250</td>
<td>$475</td>
<td>$1,825</td>
</tr>
<tr>
<td>Electric Transmission</td>
<td>183</td>
<td>250</td>
<td>225</td>
<td>275</td>
<td>300</td>
<td>200</td>
<td>$1,250</td>
</tr>
<tr>
<td>Electric Distribution</td>
<td>166</td>
<td>250</td>
<td>275</td>
<td>400</td>
<td>450</td>
<td>475</td>
<td>$1,850</td>
</tr>
<tr>
<td>Environmental</td>
<td>3</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>$75</td>
</tr>
<tr>
<td><strong>Duke Energy Florida Growth Capital</strong></td>
<td>$1,012</td>
<td>$1,075</td>
<td>$775</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,150</td>
<td>$5,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td>572</td>
<td>350</td>
<td>375</td>
<td>425</td>
<td>450</td>
<td>450</td>
<td>2,050</td>
</tr>
<tr>
<td><strong>Total Duke Energy Florida Capital</strong></td>
<td>$1,584</td>
<td>$1,425</td>
<td>$1,150</td>
<td>$1,425</td>
<td>$1,450</td>
<td>$1,600</td>
<td>$7,050</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Duke Energy Indiana</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Generation</td>
<td>$55</td>
<td>$75</td>
<td>$125</td>
<td>$125</td>
<td>$75</td>
<td>$50</td>
<td>$450</td>
</tr>
<tr>
<td>Electric Transmission</td>
<td>94</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>175</td>
<td>175</td>
<td>$800</td>
</tr>
<tr>
<td>Electric Distribution</td>
<td>126</td>
<td>225</td>
<td>250</td>
<td>250</td>
<td>225</td>
<td>200</td>
<td>$1,150</td>
</tr>
<tr>
<td>Environmental(^{(2)})</td>
<td>238</td>
<td>250</td>
<td>125</td>
<td>125</td>
<td>125</td>
<td>125</td>
<td>$750</td>
</tr>
<tr>
<td><strong>Duke Energy Indiana Growth Capital</strong></td>
<td>$513</td>
<td>$700</td>
<td>$650</td>
<td>$650</td>
<td>$600</td>
<td>$550</td>
<td>$3,150</td>
</tr>
<tr>
<td>Maintenance</td>
<td>283</td>
<td>150</td>
<td>125</td>
<td>200</td>
<td>150</td>
<td>125</td>
<td>750</td>
</tr>
<tr>
<td><strong>Total Duke Energy Indiana Capital</strong></td>
<td>$796</td>
<td>$850</td>
<td>$775</td>
<td>$850</td>
<td>$750</td>
<td>$675</td>
<td>$3,900</td>
</tr>
</tbody>
</table>

\(^{(1)}\) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017; amounts include AFUDC debt

\(^{(2)}\) 2016 actual amounts include $45 million in coal ash closure spending that was included in operating cash flows
### Capital expenditures by utility (continued) \(^{(1)}\)

\(\text{($ in millions)}\)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Duke Energy OH/KY Electric</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Generation</td>
<td>$0</td>
<td>$25</td>
<td>$25</td>
<td>$25</td>
<td>$0</td>
<td>$0</td>
<td>$75</td>
</tr>
<tr>
<td>Electric Transmission</td>
<td>75</td>
<td>125</td>
<td>150</td>
<td>100</td>
<td>125</td>
<td>100</td>
<td>600</td>
</tr>
<tr>
<td>Electric Distribution</td>
<td>168</td>
<td>225</td>
<td>225</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>1,200</td>
</tr>
<tr>
<td>Environmental</td>
<td>29</td>
<td>50</td>
<td>75</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td>175</td>
</tr>
<tr>
<td><em>Duke Energy OH/KY Growth Capital</em></td>
<td>$272</td>
<td>$425</td>
<td>$475</td>
<td>$425</td>
<td>$375</td>
<td>$350</td>
<td>$2,050</td>
</tr>
<tr>
<td>Maintenance</td>
<td>58</td>
<td>100</td>
<td>125</td>
<td>75</td>
<td>100</td>
<td>50</td>
<td>450</td>
</tr>
<tr>
<td><strong>Total Duke Energy OH/KY Electric Capital</strong></td>
<td>$330</td>
<td>$525</td>
<td>$600</td>
<td>$500</td>
<td>$475</td>
<td>$400</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

| *Duke Energy OH/KY Gas* |       |       |       |       |       |       |             |
| LDC - Non-Rider          | $86   | $75   | $100  | $50   | $50   | $50   | $325        |
| LDC - Rider              | 15    | -     | -     | -     | -     | -     | -           |
| *Duke Energy OH/KY Gas Growth Capital* | $101  | $75   | $100  | $50   | $50   | $50   | 325         |
| Maintenance              | 83    | 75    | 75    | 75    | 75    | 75    | 375         |
| **Total Duke Energy OH/KY Gas Capital** | $184  | $150  | $175  | $125  | $125  | $125  | $700        |

| *Piedmont*               |       |       |       |       |       |       |             |
| LDC - Non-Rider          | $36   | $250  | $450  | $375  | $250  | $150  | $1,475      |
| LDC - Rider              | 60    | 325   | 300   | 225   | 300   | 175   | 1,325       |
| *Piedmont Growth Capital* | $96   | $575  | $750  | $600  | $550  | $325  | 2,800       |
| Maintenance              | 19    | 100   | 125   | 100   | 75    | 100   | 500         |
| **Total Piedmont Capital** | $115  | $675  | $875  | $700  | $625  | $425  | $3,300      |

---

\(^{(1)}\) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017; amounts include AFUDC debt.

\(^{(2)}\) 2016 actual amounts include $5 million in coal ash closure spending that was included in operating cash flows.
Environmental compliance expenditures by category\(^{(1)}\)

\[\text{\text{(in millions)}}\]

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 – 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air (MATS)</td>
<td>$110</td>
</tr>
<tr>
<td>Water (316b)</td>
<td>$320</td>
</tr>
<tr>
<td>Waste (conversions)(^{(2)})</td>
<td>$770</td>
</tr>
<tr>
<td>Waste (closure)</td>
<td>$3,150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,350</strong></td>
</tr>
</tbody>
</table>

Expenditures for waste conversion to dry ash handling by jurisdiction:
- Carolinas: ~$525 million
- Midwest: ~$245 million

Coal Ash Closure Costs

<table>
<thead>
<tr>
<th></th>
<th>Total Project Costs</th>
<th>Spend To Date(^{(3)})</th>
<th>2017 – 2021 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duke Energy Carolinas</td>
<td>$2,620</td>
<td>$460</td>
<td>$1,140</td>
</tr>
<tr>
<td>Duke Energy Progress</td>
<td>$2,550</td>
<td>$310</td>
<td>$1,420</td>
</tr>
<tr>
<td>Duke Energy Indiana</td>
<td>$960</td>
<td>$60</td>
<td>$510</td>
</tr>
<tr>
<td>Duke Energy Florida</td>
<td>$40</td>
<td>-</td>
<td>$40</td>
</tr>
<tr>
<td>Duke Energy Kentucky</td>
<td>$50</td>
<td>$10</td>
<td>$40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,220</strong></td>
<td><strong>$840</strong></td>
<td><strong>$3,150</strong></td>
</tr>
</tbody>
</table>

---

\(\text{(1)}\) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
\(\text{(2)}\) Includes estimated wastewater treatment compliance expenditures associated with Steam Effluent Limitation Guidelines (ELG)
\(\text{(3)}\) As of Dec. 31, 2016
Financing assumptions
Simplified financing structure

Duke Energy (HoldCo)

Cinergy Corp. (HoldCo)
- Duke Energy Carolinas
- Duke Energy Ohio
- Duke Energy Indiana

Progress Energy (HoldCo) (1)
- Duke Energy Progress
- Duke Energy Florida
- Piedmont Natural Gas

Duke Energy Renewables and Other

Notes:
1. Progress Energy HoldCo has long-term debt outstanding, but no future issuance is planned at this financing entity.
### Holding Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Fitch</th>
<th>Moody's</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUKE ENERGY</td>
<td>Negative</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>BBB+</td>
<td>Baa1</td>
<td>BBB+</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>F-2</td>
<td>P-2</td>
<td>A-2</td>
</tr>
<tr>
<td>PROGRESS ENERGY</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>BBB</td>
<td>Baa2</td>
<td>BBB+</td>
</tr>
</tbody>
</table>

### Operating Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Moody's</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUKE ENERGY CAROLINAS</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
<td>Aa2</td>
<td>A</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>A1</td>
<td>A-</td>
</tr>
<tr>
<td>DUKE ENERGY PROGRESS</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
<td>Aa3</td>
<td>A</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>A1</td>
<td>A-</td>
</tr>
<tr>
<td>DUKE ENERGY FLORIDA</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
<td>A1</td>
<td>A</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>A3</td>
<td>A-</td>
</tr>
<tr>
<td>DUKE ENERGY INDIANA</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
<td>Aa3</td>
<td>A</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>A2</td>
<td>A-</td>
</tr>
<tr>
<td>DUKE ENERGY OHIO</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
<td>A2</td>
<td>A</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>Baa1</td>
<td>A-</td>
</tr>
<tr>
<td>DUKE ENERGY KENTUCKY</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>Baa1</td>
<td>A-</td>
</tr>
<tr>
<td>PIEDMONT NATURAL GAS</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>A2</td>
<td>A-</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>P-1</td>
<td>A-2</td>
</tr>
</tbody>
</table>
Credit metrics
Committed to maintaining quality, investment-grade ratings

**FFO/Debt**

- **Duke Carolinas**
  - 2015A: 31%
  - 2016A: 29%
  - 2017E: 27%

- **Duke Progress**
  - 2015A: 21%
  - 2016A: 22%
  - 2017E: 21%

- **Duke Florida**
  - 2015A: 25%
  - 2016A: 21%
  - 2017E: 20%

- **Duke Indiana**
  - 2015A: 24%
  - 2016A: 26%
  - 2017E: 26%

- **Duke Ohio / Kentucky**
  - 2015A: 31%
  - 2016A: 21%
  - 2017E: 22%

- **Piedmont**
  - 2015A: 18%
  - 2016A: 21%
  - 2017E: 20%

- **Consolidated**
  - 2015A: 17%
  - 2016A: 14%
  - 2017E: 14%

---

(1) Amounts are not to scale and do not include all adjustments that may be made by the rating agencies; 2017E figures are original assumptions as disclosed on Feb. 16, 2017

(2) FFO excludes asset retirement obligation costs (after tax amount calculated using a 38% tax rate as a simplifying assumption)

(3) Assumes CR-3 securitization treated as off credit

(4) Consolidated metrics exclude increases to debt associated with purchase accounting
2017 Financing plan: maintaining the strength of our balance sheet

KEY MESSAGES

- Committed to maintaining strong credit quality, including investment-grade ratings
- In January S&P affirmed DUK ratings and revised outlook from negative to stable
- Base plan assumes $350 million of DRIP equity issuances per year 2018 – 2021
- Credit metrics strengthen over the planning horizon

PRINCIPAL CREDIT METRICS

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>2017E</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFO / Debt</td>
<td>&gt; 16%</td>
<td>~14%</td>
<td>~17%</td>
</tr>
<tr>
<td>Holdco Debt Percentage</td>
<td>Low 30%'s</td>
<td>~35%</td>
<td>~34%</td>
</tr>
</tbody>
</table>

FORECASTED 2017 SUMMARY CASH FLOWS (1)

<table>
<thead>
<tr>
<th>Source / Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted net income (based on midpoint of 2017 guidance range)</td>
<td>$3,225</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>$4,100</td>
</tr>
<tr>
<td>Deferred and accrued taxes</td>
<td>$1,450</td>
</tr>
<tr>
<td>Other sources / (uses), net (2)</td>
<td>(940)</td>
</tr>
<tr>
<td><strong>Primary sources</strong></td>
<td>$7,835</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(9,425)</td>
</tr>
<tr>
<td>Dividends (subject to Board of Directors discretion)</td>
<td>(2,450)</td>
</tr>
<tr>
<td><strong>Primary uses</strong></td>
<td>(11,875)</td>
</tr>
<tr>
<td>Uses in excess of sources</td>
<td>(4,040)</td>
</tr>
<tr>
<td>Net Change in debt</td>
<td>3,780</td>
</tr>
<tr>
<td><strong>Net Change in Cash</strong></td>
<td>(260)</td>
</tr>
</tbody>
</table>

Issuances & Maturities Summary (2017 Estimate)

- Holding Company: $3,000
- Utilities: $2,695
- Project Financing: $790

(1) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017; financing plan is subject to change, based on circumstances encountered throughout the year
(2) Includes changes in working capital, AFUDC equity, and pension contributions
2017 financing plan (as of June 30, 2017)

(1) Debt maturities and debt reduction reflect estimated net changes in commercial paper and notes payable
<table>
<thead>
<tr>
<th>Amount ($ in millions)</th>
<th>Entity</th>
<th>Date Issued</th>
<th>Credit Ratings (M/S&amp;P, unless otherwise noted)</th>
<th>Term</th>
<th>Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$650</td>
<td>DE Florida</td>
<td>January 2017</td>
<td>A1/A</td>
<td>10 Year</td>
<td>First Mortgage Bond</td>
<td>Fixed – 3.200%</td>
</tr>
<tr>
<td>$250</td>
<td>DE Florida</td>
<td>January 2017</td>
<td>A1/A</td>
<td>3 Year</td>
<td>First Mortgage Bond</td>
<td>Fixed – 1.850%</td>
</tr>
<tr>
<td>$100</td>
<td>DE Ohio</td>
<td>March 2017</td>
<td>A2/A</td>
<td>29.2 Year(1)</td>
<td>First Mortgage Bond</td>
<td>Fixed – 3.70%</td>
</tr>
<tr>
<td>$587</td>
<td>Texoma Wind</td>
<td>February 2017</td>
<td>BBB-(2)</td>
<td>17.4 Year(3)</td>
<td>Secured</td>
<td>Fixed – 4.12%</td>
</tr>
<tr>
<td>$420</td>
<td>Holdco(4)</td>
<td>April 2017</td>
<td>N/A</td>
<td>8 Year</td>
<td>Senior Notes</td>
<td>Fixed – 3.364%</td>
</tr>
<tr>
<td>$330</td>
<td>Holdco(4)</td>
<td>June 2017</td>
<td>Baa1/BBB+</td>
<td>3 Year</td>
<td>Senior Notes</td>
<td>Fixed – 2.100%</td>
</tr>
<tr>
<td>$270(5)</td>
<td>Holdco</td>
<td>June 2017</td>
<td>N/A</td>
<td>3 Year</td>
<td>Revolving Credit Facility</td>
<td>Floating</td>
</tr>
<tr>
<td>$125(6)</td>
<td>Piedmont</td>
<td>June 2017</td>
<td>N/A</td>
<td>1.5 Year</td>
<td>Term Loan</td>
<td>Floating</td>
</tr>
</tbody>
</table>

(1) Re-opener of $250 million 3.70% first mortgage bonds originally issued in June 2016 and due 2046
(2) As rated by Kroll Bond Rating Agency, Inc.
(3) Notes are amortizing, represents final year of maturity
(4) Issuance privately placed
(5) Amount drawn on a $1 billion revolving credit facility
(6) Amount drawn on a $250 million term loan
## Liquidity summary (as of June 30, 2017)

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes payable and commercial paper&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>$3,150</td>
<td>$1,350</td>
<td>$1,250</td>
<td>$700</td>
<td>$600</td>
<td>$300</td>
<td>$150</td>
<td>$500</td>
<td>$8,000</td>
</tr>
<tr>
<td>Less: Notes payable and commercial paper&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>(1,392)</td>
<td>(732)</td>
<td>(661)</td>
<td>-</td>
<td>(150)</td>
<td>-</td>
<td>(45)</td>
<td>(135)</td>
<td>(3,115)</td>
</tr>
<tr>
<td>Coal Ash Set-Aside</td>
<td>-</td>
<td>(250)</td>
<td>(250)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(500)</td>
</tr>
<tr>
<td>Outstanding letters of credit (LOCs)</td>
<td>(59)</td>
<td>(4)</td>
<td>(2)</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
<td>(68)</td>
</tr>
<tr>
<td>Tax-exempt bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(81)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(81)</td>
</tr>
<tr>
<td>Available capacity</td>
<td>$1,699</td>
<td>$364</td>
<td>$337</td>
<td>$699</td>
<td>$369</td>
<td>$300</td>
<td>$105</td>
<td>$363</td>
<td>$4,236</td>
</tr>
</tbody>
</table>

| Other Credit Facilities<sup>(3)</sup> | $1,000 | $250 | $1,250 |
| Less: Borrowings Under Credit Facilities | (270) | (125) | (395) |
| Available capacity | $730 | $ - | $ - | $ - | $ - | $ - | $ - | $125 | $855 |
| Cash & short-term investments<sup>(4)</sup> | $194 |

### Total available liquidity | $5,285 |

---

<sup>(1) Master Credit Facility supports tax-exempt put bonds, LOCs and the Duke Energy commercial paper program of $4.85 billion</sup>

<sup>(2) Includes permanent layer of commercial paper of $625 million, which is classified as long-term debt</sup>

<sup>(3) Duke Energy’s 3-year funded revolver of $1 billion and Piedmont’s 18-month term loan of $250 million</sup>

<sup>(4) Represents cash available to meet funding needs</sup>
Regulatory overview
## Rate case activity and timeline

<table>
<thead>
<tr>
<th></th>
<th>Pre-Filing Notice</th>
<th>Filed Rate Case</th>
<th>Intervenor Testimony</th>
<th>Duke Rebuttal Testimony</th>
<th>Evidentiary Hearings Begin</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEP NC</strong></td>
<td>May 2, 2017</td>
<td>June 1, 2017</td>
<td>Oct. 20, 2017</td>
<td>Nov. 6, 2017</td>
<td>Nov. 20, 2017</td>
<td></td>
</tr>
<tr>
<td><strong>DEC NC</strong></td>
<td>July 25, 2017</td>
<td>Aug. 25, 2017</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>DEO</strong></td>
<td>Jan. 31, 2017</td>
<td>March 2, 2017</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>DEK</strong></td>
<td>Aug. 2, 2017</td>
<td>Sept. 1, 2017</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

- **DEP NC**:
  - Docket: E-2 Sub 1142
  - Base rate case
  - Requested rates effective Feb. 1, 2018

- **DEC NC**:
  - Docket: E-7 Sub 1146
  - Base rate Case
  - Requested rates effective Apr. 1, 2018, but no later than May 1, 2018

- **DEO**:
  - Docket: Case No. 17-32-EL-AIR
  - Distribution rate case
  - Procedural schedule not yet issued
  - The filing will consolidate recovery from certain existing capital riders into base rates

- **DEK**:
  - Docket: Case No. 2017-00321
  - Base rate Case
  - Requested rates effective April, 2018

For additional details on key regulatory activity across all jurisdictions, please visit: [www.duke-energy.com/investors](http://www.duke-energy.com/investors)
Over $1 billion of rate requests underway in North Carolina

<table>
<thead>
<tr>
<th></th>
<th>Duke Energy Progress</th>
<th>Duke Energy Carolinas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail revenue increase requested</td>
<td>$477 M (+14.9%)</td>
<td>$647 M (+13.6%)</td>
</tr>
<tr>
<td>Return on equity requested</td>
<td>10.75%</td>
<td></td>
</tr>
<tr>
<td>Equity component of capital structure</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td>Proposed rate base(1)</td>
<td>~$8.1 B</td>
<td>~$13.8 B</td>
</tr>
<tr>
<td>Noteworthy requests</td>
<td>Hurricane Matthew</td>
<td>Lee Nuclear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grid rider</td>
</tr>
<tr>
<td>Hearing begins</td>
<td>Nov. 20, 2017</td>
<td>TBD</td>
</tr>
<tr>
<td>Rates expected to be in effect, if approved</td>
<td>Feb. 1, 2018</td>
<td>Apr. 1, 2018(2)</td>
</tr>
</tbody>
</table>

- **Significant plant additions and changes**
- **Coal ash basin closure costs(3)**
- **All other changes to rate base, operating costs, and operating revenues(4)**
- **Grid reliability and resiliency rider**

(1) As of Dec. 31, 2016 and adjusted for known and measurable changes through Aug. 2017 (DEP) and Nov. 2017 (DEC)
(2) DEC has requested rates effective on Apr. 1, 2018, but no later than May 1, 2018. A procedural schedule has not yet been established.
(3) Coal ash basin closure costs include recovery of previously incurred expenses over a five year period and request for ongoing expenses (based on actual 2016 expenses)
(4) Driven largely by a return of deferred tax liability due to NC state tax rate change. DEP offset by 2016 Hurricane Matthew storm cost recovery.
MAJOR PROVISIONS OF THE SETTLEMENT

Base Rate Adjustments
- Base rate increases of $67M per year 2019-2021
- Solar Generation Base Rate Adjustment: DEF has opportunity to recover 700 MW of solar 2019-2021, with base rate adjustment at in-service at 10.5% ROE
- Earned ROE band of 9.5% - 11.5%

Levy Nuclear Project
- DEF to cancel Levy Nuclear Project and not seek recovery of remaining costs
  - $135M impairment to be recorded in 3Q 2017

RATE CERTAINTY THROUGH 2021
WITH AGREED UPON RATE INCREASES AND SOLAR BASE RATE ADJUSTMENT

APPROVAL PROCESS
- Signatories to the agreement include all key intervenors
- Settlement subject to review and approval by Florida Public Service Commission, expected by the end of 2017

(1) Will be treated as a “special item” and excluded from adjusted diluted earnings per share
## Current electric rate information by jurisdiction

<table>
<thead>
<tr>
<th></th>
<th>North Carolina</th>
<th>South Carolina</th>
<th>Florida</th>
<th>Indiana (Electric)</th>
<th>Ohio (Electric)</th>
<th>Kentucky (Electric)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Rate Base</td>
<td>$15.7 B (DEC)</td>
<td>$8.0 B (DEC)</td>
<td>$10.0 B (2)</td>
<td>$7.1 B (3)</td>
<td>$1.1 B</td>
<td>$600 M (4)</td>
</tr>
<tr>
<td>Wholesale Rate Base</td>
<td>$1.5 B (DEC) 3Q 2016</td>
<td>$2.9 B (DEC) 3Q 2016</td>
<td>$1.1 B (2)</td>
<td>$600 M</td>
<td>$0.4 M (trans. only)</td>
<td>$0</td>
</tr>
<tr>
<td>Allowed ROE</td>
<td>10.20% (DEC &amp; DEP)</td>
<td>10.20% (DEC &amp; DEP)</td>
<td>10.50% (5)</td>
<td>10.50%</td>
<td>9.84% - Dist</td>
<td>11.38% - Trans</td>
</tr>
<tr>
<td>Allowed Equity</td>
<td>53.0% (DEC &amp; DEP)</td>
<td>53.0% (DEC &amp; DEP)</td>
<td>47.34% (6)</td>
<td>44.44% (7)</td>
<td>53.3%</td>
<td>51.0%</td>
</tr>
<tr>
<td>Effective Date of Most Recent Rates</td>
<td>9/24/13 (DEC) 6/1/13 (DEP)</td>
<td>9/17/13 (DEC) 1/1/2017 (DEP)</td>
<td>1/1/13</td>
<td>5/24/04</td>
<td>Distr: 5/5/13 Trans 6/1/16 ESP: 6/1/15</td>
<td>1/1/07</td>
</tr>
<tr>
<td>Fuel Clause Updated</td>
<td>Annually (DEC and DEP)</td>
<td>Annually (DEC and DEP)</td>
<td>Annually</td>
<td>Quarterly</td>
<td>Annually for Non-Shoppers</td>
<td>Monthly</td>
</tr>
<tr>
<td>Environmental Clause Updated</td>
<td>N/A</td>
<td>N/A</td>
<td>Annually Semi-Annually</td>
<td>Quarterly</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Nuclear Clause/Rider Updated</td>
<td>N/A</td>
<td>Not currently active (DEC and DEP)</td>
<td>Annually</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

(1) DEC’s rate base as of September 2013. DEP NC’s rate base as of May 2013. DEP SC as of December 2016.
(2) Thirteen-month average as of December 2016. Retail rate base includes amounts recovered in base rates of $9.5B and amounts recovered in trackers of $.5B.
(3) As of Dec. 31, 2016; includes amounts being recovered in base rates of $3.7B, amounts being recovered in environmental trackers of $1.1B, and amounts being recovered in IGCC trackers of $2.3B.
(4) Kentucky allows recovery on total capitalization instead of rate base.
(5) Represents the mid-point of an authorized range from 9.5% to 11.5%.
(6) Florida’s capital structure includes accumulated deferred income taxes (ADIT), customer deposits and investment tax credits (ITC) and is as of Dec. 31, 2012. Excluding these items, the capital structure approximates 53% equity.
(7) Indiana’s capital structure includes ADIT. When ADIT is excluded, resulting cap structure approximates 53% equity.
## General Rate Case Provisions

<table>
<thead>
<tr>
<th>Notice of Intent Required?</th>
<th>North Carolina</th>
<th>South Carolina</th>
<th>Florida</th>
<th>Indiana</th>
<th>Ohio (Electric)</th>
<th>Kentucky (Electric)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice Period</td>
<td>30 Days</td>
<td>30 Days</td>
<td>60 Days</td>
<td>Varies</td>
<td>30 Days</td>
<td>28 Days</td>
</tr>
<tr>
<td>Test Year</td>
<td>Historical Adjusted for Known and Measureable Changes</td>
<td>Historical Adjusted for Known and Measureable Changes</td>
<td>Projected</td>
<td>Optional(2)</td>
<td>Partially Projected</td>
<td>Forecast Optional</td>
</tr>
<tr>
<td>Time Limitation Between Cases</td>
<td>No</td>
<td>12 months(3)</td>
<td>No</td>
<td>15 Months</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Rates Effective Subject to Refund</td>
<td>7 Months After Filing</td>
<td>6 Months After Filing(4)</td>
<td>8 Months After Filing</td>
<td>10 Months After Filing(5)</td>
<td>9 Months After Filing</td>
<td>6 Months After Filing(6)</td>
</tr>
</tbody>
</table>

1. IURC recommended procedure. Not a statutory requirement
2. Utilities may elect to a historical test period, a forward-looking test period, or a hybrid test year in the context of a general rate case
3. Our current settlement from the 2016 rate case in DEP SC precludes implementing new rates until 2019
4. If the South Carolina Commission fails to rule on a rate case filing within 6 months, the new rates can be implemented and are not subject to refund. There is a grace period here. The Company would have to notify the Commission that it planned to put rates in and the Commission would then have 10 additional days to issue an order
5. The utility may implement interim rates, subject to refund, if the IURC has not rendered a decision within 10 months of filing (can be extended 60 days by IURC). The interim rates are not to exceed 50% of the original request
6. The effective date is 7 months after filing for a forecasted test year
<table>
<thead>
<tr>
<th></th>
<th>North Carolina</th>
<th>South Carolina</th>
<th>Tennessee</th>
<th>Ohio (Gas)</th>
<th>Kentucky (Gas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Base ($M)</td>
<td>$1,822</td>
<td>$224</td>
<td>$349</td>
<td>$900(1)</td>
<td>$200(2)</td>
</tr>
<tr>
<td>Allowed ROE</td>
<td>10.0%</td>
<td>10.2%</td>
<td>10.2%</td>
<td>9.84%</td>
<td>10.38%</td>
</tr>
<tr>
<td>Allowed Equity</td>
<td>50.7%</td>
<td>53.0%</td>
<td>52.7%</td>
<td>53.3%</td>
<td>50.8%</td>
</tr>
<tr>
<td>Effective Date of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most Recent Rates</td>
<td>1/1/14</td>
<td>11/1/16(3)</td>
<td>3/1/12</td>
<td>12/1/13</td>
<td>1/1/10</td>
</tr>
<tr>
<td>Significant Rider</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mechanisms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin Decoupling Tariff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrity Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Clause</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate Stabilization Adj.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weather Normalization Adj.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Clause</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weather Normalization Adj.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrity Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Clause</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMRP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Clause</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASRP(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel Clause</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Excludes all rate base related to capital recovery that is being tracked (e.g., AMRP and AU after 3/31/2012)
(2) Reflects only the investment subject to KPSC jurisdiction
(3) Rates refreshed annually under the South Carolina Rate Stabilization Act (RSA) if earned ROE is outside a band of 50 bps around the previously authorized ROE
(4) Recovers incremental costs for the Accelerated Service Line Replacement (ASRP) Program
Electric Utilities and Infrastructure Supplement
Electric utilities and infrastructure
A portfolio of attractive utilities in constructive jurisdictions

EIGHT UTILITIES IN HIGH-QUALITY REGIONS OF THE U.S.

CAROLINAS

FLORIDA
Duke Energy Florida

MIDWEST
Duke Energy Indiana  Duke Energy Ohio / Kentucky

COMPETITIVE CUSTOMER RATES
Avg. ¢/kWh Retail Rates (12 mos. ending 6/30/16)(1)

REGULATED ELECTRIC 2016 EARNINGS BASE

BALANCED CUSTOMER MIX

GWh Sold
Residential 33%
Commercial 30%
Industrial 20%
Wholesale 17%

Regulatory modernization remains a top priority

H.B. 589 – COMPETITIVE ENERGY SOLUTIONS FOR NC

- Pursued in parallel to Avoided Cost docket at N.C. Utilities Commission
- Reforms the Public Utility Regulatory Policy Act (PURPA) process in North Carolina, setting a clear path for more reliable and affordable renewable energy
  - **Fuel clause recovery** of standard contracts for Qualified Facilities, capped at 2.5% of annual sales
- Approximately 2,600 MW of utility-scale renewable energy projects to be procured via competitive bidding process over 45 months
  - **Rider recovery**, subject to cap of 1% of annual sales
  - Duke Energy can participate up to 30% cap; however additional facilities acquired from third parties are not subject to cap

~$850 MILLION CUSTOMER COST SAVINGS OVER THE NEXT 10 YEARS

On July 28, 2017, the NCUC issued its Order Initiating Rulemaking opening docket E-100 Sub 150 and providing an opportunity for Companies and other interested parties to file initial comments, suggestions, or proposed rules or rule revisions relating to the implementation of H.B. 589. A procedural schedule has not yet been established.
Our grid modernization core categories

**TARGETED UNDERGROUNDING**
Move hard-to-access services underground to improve reliability

**SELF-OPTIMIZATION**
Add connectivity, capacity and control so the grid can self-identify problems and react automatically to shorten or eliminate outages

**TRANSMISSION IMPROVEMENTS**
Substation and transmission line upgrades, flood mitigation, physical and cyber security, and system intelligence

**DISTRIBUTION HARDENING & RESILIENCY**
Retrofit transformers; replace aged/deteriorating cable, conductors, poles, protective devices; vegetation management and flood mitigation

**ENTERPRISE SYSTEM UPGRADES**
Upgrade back-office systems needed to operate and manage grid devices

**COMMUNICATION NETWORK UPGRADES**
New and replacement fiber, microwave and tower installations; upgrading to 4G LTE for line devices

**ADVANCED METERING INFRASTRUCTURE (AMI)**
Enable automated meter reading, remote connects/disconnects, quicker outage detection
Gas Utilities and Infrastructure Supplement
North Carolina Regulatory Highlights

- Allows revenue decoupling mechanisms
- Integrity Management Rider (IMR) allows for recovery of capital expenditures to comply with federal pipeline safety and integrity requirements outside of a general rate case
- Rate Case History:
  - Dec 2013: 10% ROE; 50.7% Equity Ratio; $1.8 B Rate Base
  - Oct 2008: 10.6% ROE; 51% Equity Ratio; $1.3 B Rate Base

North Carolina IMR

- On September 4, 2015, Piedmont reached an IMR settlement with the NC Public Staff
- Settlement seeks to create regulatory certainty, balance interests of Piedmont shareholders and customers, and recognize ancillary operational benefits of system integrity expenditures
- Biannual rate adjustments each December 1 and June 1 based on system integrity investments closed to plant at September 30 and March 31
- Extension of the IMR tariff from Oct. 31, 2017 to Oct. 31, 2019
- Established procedural timeline for Public Staff’s annual review of the IMR filings
- Fixed percentages of various classes of system integrity expenditures to be recovered through IMR with remaining to be recovered through future rate case:
  - Transmission Integrity: 85% IMR / 15% rate case
  - Distribution Integrity: 90% IMR / 10% rate case
  - Right-of-way clearing for integrity projects: 15% IMR / 85% rate case
  - Work and asset management system: 68% IMR / 32% rate case
- Tax-related adjustments
- Effective Nov. 1, 2015
Constructive LDC regulatory environment (continued)

South Carolina Regulatory Highlights

- Gas utilities are permitted to adjust rates annually under the Rate Stabilization Act (RSA) if earned ROE is outside a band of ±50 basis points around the previously authorized ROE
- Weather normalization mechanisms

Tennessee Regulatory Highlights

- Gas utilities can recover commodity costs through automatic adjustment clauses
- Purchased gas adjustment clauses
- Weather normalization clauses
- Incentive mechanisms related to gas procurement, capacity release, and off-system sales
- IMR allows recovery of costs associated with system integrity projects outside of base rate proceedings
- Rate Case History:
  - March 2012: 10.2% ROE; 53% Equity Ratio; $349 M Rate Base
  - November 2003: blackbox settlement on ROE; $260 M Rate Base

Margin Stabilizing Mechanisms

<table>
<thead>
<tr>
<th>Margin Stabilizing Mechanisms</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Purchased Gas Adjustment</td>
<td>All States</td>
</tr>
<tr>
<td>2. Recovery of Negotiated Industrial Rates</td>
<td>All States</td>
</tr>
<tr>
<td>3. Uncollectible Recovery – Gas Costs</td>
<td>All States</td>
</tr>
<tr>
<td>4. Secondary Marketing Programs</td>
<td>All States</td>
</tr>
<tr>
<td>6. Margin Decoupling Tariff</td>
<td>North Carolina</td>
</tr>
<tr>
<td>7. Rate Stabilization Tariff</td>
<td>South Carolina</td>
</tr>
<tr>
<td>8. Weather Normalization Adjustment</td>
<td>South Carolina &amp; Tennessee</td>
</tr>
<tr>
<td>9. Integrity Management Riders</td>
<td>North Carolina &amp; Tennessee</td>
</tr>
</tbody>
</table>
Commercial Renewables Supplement
Duke Energy Renewables U.S. Portfolio

(1) A full list of generation facilities can be found at https://www.duke-energy.com//_/media/pdfs/our-company/renewables-n-america-facilities.pdf
Duke Energy’s accounting for renewable tax credits

**INVESTMENT TAX CREDITS**
- Current ITC available is 30 percent for wind and solar projects
- The solar ITC will step down from 30% to 10%*
- **ITCs reduce the book basis of the asset**, which is recognized over the life of the plant through lower depreciation expense
- ITCs provide an initial deferred tax benefit equal to 50 percent of the total ITC – recognized in year one

**PRODUCTION TAX CREDITS**
- Primarily recognized on wind projects
- PTC benefits are recognized over the first 10 years of operation, as the facility generates energy

**HIGH LEVEL ITC EXAMPLE**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Cost</td>
<td>$500 million</td>
</tr>
<tr>
<td>30% ITC Cash Benefit</td>
<td>$150 million</td>
</tr>
<tr>
<td>Life of Asset</td>
<td>20 Years</td>
</tr>
<tr>
<td>Free Basis (1/2 of ITC)</td>
<td>$75 million</td>
</tr>
<tr>
<td>Year One Deferred Tax Benefit (Free Basis x 35%)</td>
<td>$26.3 million</td>
</tr>
<tr>
<td>Annual reduction in depreciation expense from ITC benefit over project life</td>
<td>$7.5 million</td>
</tr>
</tbody>
</table>

*Projects that start construction by 2019 will receive the current 30% ITC, while projects that begin construction in 2020 and 2021 will receive 26% and 22%, respectively. From 2022 onwards, projects will receive a 10% ITC.*
Mike Callahan, Vice President Investor Relations
- Michael.Callahan@duke-energy.com
- (704) 382-0459

Mike Switzer, Director Investor Relations
- Mike.Switzer@duke-energy.com
- (704) 382-6473

Chris Bauer, Manager Investor Relations
- Chris.Bauer@duke-energy.com
- (704) 382-5826

For additional information on Duke Energy, please visit: www.duke-energy.com/investors
Safe Harbor statement

This document 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 and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: state, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; the extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; the ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; the costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; costs and effects of legal and administrative proceedings, settlements, investigations and claims; industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies; federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy’s service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; advancements in technology; additional competition in electric and gas markets and continued industry consolidation; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; the ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; the ability to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; operational interruptions to our gas distribution and transmission activities; the availability of adequate interstate pipeline transportation capacity and natural gas supply; the impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, and other catastrophic events such as fires, explosions, pandemic health events or other similar occurrences; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third party service providers; the timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; the results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations and general economic conditions; the credit ratings may be different from what the company and its subsidiaries expect; declines in the market prices of equity and fixed income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans, and nuclear decommissioning trust funds; construction and development risks associated with the completion of Duke Energy and its subsidiaries’ capital investment projects, 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 customers in a timely manner or at all; changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; the ability to control operation and maintenance costs; the level of creditworthiness of counterparties to transactions; employee workforce factors, including the potential inability to attract and retain key personnel; the ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; substantial revision to the U.S. tax code, such as changes to the corporate tax rate or a material change in the deductibility of interest; the impact of potential goodwill impairments; the ability to successfully complete future merger, acquisition or divestiture plans; the ability to successfully integrate the natural gas businesses following the acquisition of Piedmont Natural Gas Company, Inc. and realize anticipated benefits; and the ability to implement our business strategy.

Additional risks and uncertainties are identified and discussed in Duke Energy’s and its subsidiaries’ 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 described. Forward-looking statements speak only as of the date they are made; Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
Adjusted Diluted Earnings per Share (EPS)

The materials for Duke Energy Corporation’s (Duke Energy) Fall Update 2017 include a discussion of adjusted diluted EPS for the quarter-to-date and year-to-date periods ended June 30, 2017 and 2016 and the year ended December 31, 2016.

The non-GAAP financial measure, adjusted diluted EPS, represents diluted EPS from continuing operations attributable to Duke Energy Corporation common stockholders, adjusted for the per-share impact of special items. As discussed below, special items include certain charges and credits, which management believes are not indicative of Duke Energy’s ongoing performance.

Management believes the presentation of adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy’s performance across periods. Management uses this non-GAAP financial measure for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. 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 attributable to Duke Energy Corporation common stockholders. Reconciliations of adjusted diluted EPS for the quarter-to-date and year-to-date periods ended June 30, 2017 and 2016 and the year ended December 31, 2016, to the most directly comparable GAAP measures are included here-in.

Special items included in the periods presented include the following items which management believes do not reflect ongoing costs:

- Costs to Achieve Mergers represent charges resulting from strategic acquisitions.
- Cost Savings Initiatives represent severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.
- Commercial renewables impairment and asset impairment represent other-than-temporary impairments.

Adjusted diluted EPS also include operating results of the Latin American generation business (International Disposal Group), which have been classified as discontinued operations. Management believes inclusion of the operating results of the disposal group within adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Adjusted Diluted EPS Guidance

The materials for Duke Energy’s Fall Update 2017 include a reference to the forecasted 2017 adjusted diluted EPS guidance range of $4.50 - $4.70 per share. The materials also reference the long-term range of annual growth of 4% - 6% through 2021 in adjusted diluted EPS (on a compound annual growth rate (CAGR) basis). Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items (as discussed above under Adjusted Diluted EPS). Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all
special items for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.

**Adjusted Segment Income and Adjusted Other Net Expense, and Forecasted Adjusted Segment Income and Forecasted Adjusted Other Net Expense**

The materials for Duke Energy’s Fall Update 2017 include a discussion of adjusted segment income and adjusted other net expense for the year-to-date period ended June 30, 2017 and a discussion of forecasted 2017 adjusted segment income and forecasted adjusted net expense. The materials also reference the long-term range of annual growth by segment in adjusted diluted EPS (on a CAGR basis).

Adjusted segment income and adjusted other net expense are non-GAAP financial measures, as they represent reported segment income and other net expense adjusted for special items (as discussed above under Adjusted Diluted EPS). Management believes that the presentation of adjusted segment income and adjusted other net expense 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 pretax amount of the item less income taxes based on the consolidated statutory tax rate of 38 percent, except for Duke Energy Renewables, which uses an effective tax rate, divided by the Duke Energy weighted-average diluted shares outstanding for the period. The most directly comparable GAAP measure for adjusted segment income and adjusted other net expense is reported segment income and other net expense, which represents segment income and other net expense from continuing operations, including any special items. A reconciliation of adjusted segment income and adjusted other net expense for the year-to-date period ended June 30, 2017, to the most directly comparable GAAP measures is included here-in. Due to the forward-looking nature of any forecasted adjusted segment income and forecasted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures are not available at this time, as the company is unable to forecast all special items, as discussed above under Adjusted Diluted EPS Guidance.

**Adjusted Effective Tax Rate (ETR)**

The materials for Duke Energy’s Fall Update 2017 include a discussion of the adjusted ETR for the year-to-date period ended June 30, 2017. The materials also include a discussion of the 2017 forecasted adjusted ETR. Adjusted ETR is a non-GAAP financial measure as the rate is calculated using a pretax earnings and income tax expense, both adjusted for the impact of special items, as discussed above under Adjusted Diluted EPS. The most directly comparable GAAP measure for adjusted ETR is reported ETR. A reconciliation of the adjusted ETR for the year-to-date period ended June 30, 2017 to the most directly comparable GAAP measure is included here-in. Due to the forward-looking nature of the 2017 forecasted adjusted ETR, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted Diluted EPS Guidance.

**Dividend Payout Ratio**

The materials for Duke Energy’s Fall Update 2017 include a discussion of Duke Energy’s forecasted dividend payout ratio of 70% - 75% through 2021 based upon adjusted diluted EPS. This payout ratio is a non-GAAP financial measure as it is based upon forecasted diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items, as discussed above under Adjusted Diluted EPS. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders. Due to the forward-looking nature of this non-GAAP financial measure for future
periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted Diluted EPS Guidance.

**Adjusted Book Return on Equity (ROE)**

The materials for Duke Energy’s Fall Update 2017 include a reference to the adjusted book return on equity (ROE) ratio. This ratio is a non-GAAP financial measure. The numerator represents Net Income, adjusted for the impact of special items (as discussed above under Adjusted Diluted EPS). The denominator is average Total Common Stockholder’s Equity, reduced for Goodwill. A reconciliation of the components of adjusted ROE to the most directly comparable GAAP measures is included here-in.

**Funds From Operations (“FFO”) Ratios**

The materials for Duke Energy’s Fall Update 2017 include a reference to historical and expected FFO to Total Debt ratios. These ratios reflect non-GAAP financial measures. The numerator of the FFO to Total Debt ratio is calculated principally by using net cash provided by operating activities on a GAAP basis, adjusted for changes in working capital, asset retirement obligations spend and reduced for capitalized interest (including any AFUDC interest). The denominator for the FFO to Total Debt ratio is the balance of long-term debt (excluding purchase accounting adjustments and long-term debt associated with the CR3 Securitization), including current maturities, plus notes payable and commercial paper outstanding. The calculation of FFO to Total Debt ratio is included here-in.

**Holdco Debt Percentage**

The materials for Duke Energy’s Fall Update 2017 include a reference to a targeted Holdco debt percentage. This percentage reflects a non-GAAP financial measure. The numerator of the Holdco debt percentage is the balance of Duke Energy Corporate debt, Progress Energy, Inc. debt, PremierNotes and the Commercial Paper attributed to the Holding Company. The denominator for the percentage is the balance of long-term debt (excluding purchase accounting adjustments and long-term debt associated with the CR3 Securitization), including current maturities, plus notes payable and commercial paper outstanding.

**Available Liquidity**

The materials for Duke Energy’s Fall Update 2017 include a discussion of Duke Energy’s available liquidity balance. The available liquidity balance presented is a non-GAAP financial measure as it represents Cash and cash equivalents, excluding certain amounts held in foreign jurisdictions and cash otherwise unavailable for operations, and remaining availability under the master credit and other facilities. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents. A reconciliation of available liquidity as of June 30, 2017 to the most directly comparable GAAP measure is included here-in.
Non-Rider Recoverable O&M

The materials for Duke Energy’s Fall Update 2017 include a discussion of Duke Energy’s non-rider recoverable operating, maintenance and other expenses (O&M) for the years ended December 31, 2016, 2015 and 2014, as well as the forecasted year ended December 31, 2017. Non-rider recoverable O&M expenses are non-GAAP financial measures, as they represent reported O&M expenses adjusted for special items and expenses that are recovered through riders. Management believes that the presentation of non-rider recoverable O&M expenses provides useful information to investors, as it provides a meaningful comparison of financial performance across periods. The most directly comparable GAAP financial measure for non-rider recoverable O&M expenses is reported O&M. A reconciliation of non-recoverable O&M expenses for the years ended December 31, 2016, 2015 and 2014, as well as the forecasted year ended December 31, 2017, to the most directly comparable GAAP measure are included here-in.

Business Mix Percentages

The materials for Duke Energy’s Fall Update 2017 reference each segments 2017 projected adjusted segment income as a percentage of the total projected 2017 adjusted net income (i.e. business mix), excluding the impact of Other. Duke Energy’s segments are comprised of Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The materials also reference the ten-year target percentage of total Gas Utilities and Infrastructure adjusted segment income as a percentage of the total adjusted net income, excluding the impact of Other.

Adjusted segment income is a non-GAAP financial measure, as it represents reported segment income adjusted for special items as discussed above. Due to the forward-looking nature of any forecasted adjusted segment income, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items (as discussed above under Adjusted Diluted EPS Guidance).
### DUKE ENERGY CORPORATION
**REPORTED TO ADJUSTED EARNINGS RECONCILIATION**
Twelve Months Ended December 31, 2016
(Dollars in millions, except per-share amounts)

<table>
<thead>
<tr>
<th>Special Items</th>
<th>Reported Earnings</th>
<th>Costs to Achieve Mergers</th>
<th>Cost Savings Initiatives</th>
<th>Commercial Renewables Impairment</th>
<th>International Energy Operations</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Adjusted Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEGMENT INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Utilities and Infrastructure</td>
<td>$3,040</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$3,040</td>
</tr>
<tr>
<td>Gas Utilities and Infrastructure</td>
<td>152</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>152</td>
</tr>
<tr>
<td>Commercial Renewables</td>
<td>23</td>
<td>—</td>
<td>—</td>
<td>45</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total Reportable Segment Income</strong></td>
<td>3,215</td>
<td>—</td>
<td>—</td>
<td>45</td>
<td>—</td>
<td>—</td>
<td>45</td>
<td>3,260</td>
</tr>
<tr>
<td>Other</td>
<td>(645)</td>
<td>329</td>
<td>57 B</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>386</td>
<td>(259)</td>
</tr>
<tr>
<td>Intercompany Eliminations</td>
<td>1</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(1)</td>
<td>—</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>(419)</td>
<td>—</td>
<td>—</td>
<td>(243)D</td>
<td>662 E</td>
<td>419</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net Income Attributable to Duke Energy Corporation</strong></td>
<td>$2,152</td>
<td>$329</td>
<td>$57</td>
<td>$45</td>
<td>$661</td>
<td>$1,092</td>
<td>$3,244</td>
<td></td>
</tr>
</tbody>
</table>

| **EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED** | $3.11 | $0.48 | $0.08 | $0.07 | — | $0.95 | $1.58 | $4.69 |

**Notes:**

A - Net of $194 million tax benefit. Includes $11 million recorded within Operating Revenues, $278 million recorded within Operating Expenses and $234 million recorded within Interest Expense on the Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of $35 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

C - Net of $26 million tax benefit. Other-than-temporary impairment included within Equity in earnings (losses) of unconsolidated affiliates on the Consolidated Statements of Operations.

D - Net of $27 million tax expense. Operating results of the International Disposal Group, which exclude the loss and impairment described below and other miscellaneous transaction-related costs, recorded within (Loss) Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.

E - Recorded within (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes a loss on the sale of the International Disposal Group, an impairment charge related to certain assets in Central America, and a tax benefit related to previously sold businesses.

Weighted Average Shares, Diluted (reported and adjusted) - 691 million
DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended June 30, 2017
(Dollars in millions, except per-share amounts)

<table>
<thead>
<tr>
<th>SEGMENT INCOME</th>
<th>Reported Earnings</th>
<th>Special Item Costs to Achieve Piedmont Merger</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Adjusted Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Utilities and Infrastructure</td>
<td>$ 729</td>
<td>$ 729</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 729</td>
</tr>
<tr>
<td>Gas Utilities and Infrastructure</td>
<td>27</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>27</td>
</tr>
<tr>
<td>Commercial Renewables</td>
<td>26</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>26</td>
</tr>
<tr>
<td>Total Reportable Segment Income</td>
<td>782</td>
<td></td>
<td>$ —</td>
<td>$ —</td>
<td>782</td>
</tr>
<tr>
<td>Other</td>
<td>(94)</td>
<td>19</td>
<td>$ —</td>
<td>19</td>
<td>(75)</td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td></td>
<td></td>
<td>2</td>
<td>B</td>
<td>2</td>
</tr>
<tr>
<td>Net Income Attributable to Duke Energy Corporation</td>
<td>$ 686</td>
<td>$ 19</td>
<td>$ 2</td>
<td>21</td>
<td>$ 707</td>
</tr>
</tbody>
</table>

**EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED**

|                           | $ 0.98           | $ 0.03                                      | $ —                     | $ 0.03             | $ 1.01            |

A - Net of $11 million tax benefit. $30 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 700 million
<table>
<thead>
<tr>
<th>SEGMENT INCOME</th>
<th>Reported Earnings</th>
<th>Special Item</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Adjusted Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Utilities and Infrastructure</td>
<td>$ 1,364</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 1,364</td>
</tr>
<tr>
<td>Gas Utilities and Infrastructure</td>
<td>160</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>160</td>
</tr>
<tr>
<td>Commercial Renewables</td>
<td>51</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>51</td>
</tr>
<tr>
<td><strong>Total Reportable Segment Income</strong></td>
<td><strong>1,575</strong></td>
<td><strong>—</strong></td>
<td><strong>—</strong></td>
<td><strong>—</strong></td>
<td><strong>1,575</strong></td>
</tr>
<tr>
<td>Other</td>
<td>(171)</td>
<td>29 A</td>
<td>—</td>
<td>29</td>
<td>(142)</td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income Attributable to Duke Energy Corporation</td>
<td>$ 1,402</td>
<td>$ 29 A</td>
<td>$ 2</td>
<td>$ 31</td>
<td>$ 1,433</td>
</tr>
<tr>
<td><strong>EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED</strong></td>
<td>$ 2.00</td>
<td>$ 0.05</td>
<td>$ —</td>
<td>$ 0.05</td>
<td>$ 2.05</td>
</tr>
</tbody>
</table>

A - Net of $17 million tax benefit. $45 million recorded within Operating Expenses and $1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

B - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 700 million
### SEGMENT INCOME

<table>
<thead>
<tr>
<th>Segment Income</th>
<th>Reported Earnings</th>
<th>Costs to Achieve Mergers</th>
<th>Cost Savings Initiatives</th>
<th>International Energy Operations</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Adjusted Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Utilities and Infrastructure</td>
<td>$ 704</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 704</td>
<td>$ 704</td>
</tr>
<tr>
<td>Gas Utilities and Infrastructure</td>
<td>16</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>16</td>
</tr>
<tr>
<td>Commercial Renewables</td>
<td>11</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total Reportable Segment Income</td>
<td>731</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>731</td>
</tr>
<tr>
<td>International Energy</td>
<td>—</td>
<td>—</td>
<td>31 C</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Other</td>
<td>(107)</td>
<td>69 A</td>
<td>15 B</td>
<td>—</td>
<td>—</td>
<td>84 (23)</td>
<td>84</td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>(115)</td>
<td>—</td>
<td>—</td>
<td>(31) C</td>
<td>146 D</td>
<td>115</td>
<td>—</td>
</tr>
<tr>
<td>Net Income Attributable to Duke Energy Corporation</td>
<td>$ 509</td>
<td>$ 69 A</td>
<td>$ 15 B</td>
<td>$ —</td>
<td>$ 146 D</td>
<td>$ 230</td>
<td>$ 739</td>
</tr>
</tbody>
</table>

#### EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED

| EPS Attributable to Duke Energy Corporation, Diluted | $ 0.74 | $ 0.10 | $ 0.02 | $ — | $ 0.21 | $ 0.33 | $ 1.07 |

**A** - Net of $42 million tax benefit. Includes $28 million recorded within Operating Expenses and $83 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

**B** - Net of $9 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

**C** - Net of $35 million tax expense. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

**D** - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 690 million
## Special Items

<table>
<thead>
<tr>
<th>Special Items</th>
<th>Reported Earnings</th>
<th>Costs to Achieve Mergers</th>
<th>Cost Savings Initiatives</th>
<th>International Energy Operations</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Adjusted Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEGMENT INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Utilities and Infrastructure</td>
<td>$ 1,368</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 1,368</td>
</tr>
<tr>
<td>Gas Utilities and Infrastructure</td>
<td>$ 48</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 48</td>
</tr>
<tr>
<td>Commercial Renewables</td>
<td>$ 37</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 37</td>
</tr>
<tr>
<td><strong>Total Reportable Segment Income</strong></td>
<td>$ 1,453</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 1,453</td>
</tr>
<tr>
<td>International Energy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$(255)</td>
<td>143</td>
<td>A</td>
<td>27</td>
<td></td>
<td>—</td>
<td>170</td>
</tr>
<tr>
<td><strong>Discontinued Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$(5)</td>
</tr>
<tr>
<td><strong>Net Income Attributable to Duke Energy Corporation</strong></td>
<td>$ 1,203</td>
<td>$ 143</td>
<td>$ 27</td>
<td>$ —</td>
<td>$ 143</td>
<td>$ 313</td>
<td>$ 1,516</td>
</tr>
<tr>
<td><strong>EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED</strong></td>
<td>$ 1.74</td>
<td>$ 0.21</td>
<td>$ 0.04</td>
<td>$ —</td>
<td>$ 0.21</td>
<td>$ 0.46</td>
<td>$ 2.20</td>
</tr>
</tbody>
</table>

A - Net of $88 million tax benefit. Includes $1 million recorded within Operating Revenues, $47 million recorded within Operating Expenses and $183 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of $17 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

C - Includes $4 million tax benefit. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

D - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 689 million
### DUKE ENERGY CORPORATION
### ADJUSTED EFFECTIVE TAX RECONCILIATION
### June 2017
### (Dollars in Millions)

#### Six Months Ended June 30, 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance</th>
<th>Effective Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Income From Continuing Operations Before Income Taxes</td>
<td>$ 2,079</td>
<td></td>
</tr>
<tr>
<td>Costs to Achieve Piedmont Merger</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Noncontrolling Interests</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>Adjusted Pretax Income</td>
<td>$ 2,121</td>
<td></td>
</tr>
<tr>
<td>Reported Income Tax Expense From Continuing Operations</td>
<td>$ 671</td>
<td>32.3%</td>
</tr>
<tr>
<td>Costs to Achieve Piedmont Merger</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Adjusted Tax Expense</td>
<td>$ 688</td>
<td>32.4% *</td>
</tr>
</tbody>
</table>

*Adjusted effective tax rate is a non-GAAP financial measure as the rate is calculated using pretax earnings and income tax expense, both adjusted for the impact of special items. The most directly comparable GAAP measure for adjusted effective tax rate is reported effective tax rate, which includes the impact of special items.*
Duke Energy Corporation
Available Liquidity Reconciliation
As of June 30, 2017
(In millions)

Cash and Cash Equivalents $ 298
Less: Certain Amounts Held in Foreign Jurisdictions (65)
Less: Unavailable Domestic Cash (39)

194

Plus: Remaining Availability under Master Credit Facilities and other facilities 5,091

Total Available Liquidity (a) $ 5,285 (approximately 5.3 billion)

(a) The available liquidity balance presented is a non-GAAP financial measure as it represents Cash and cash equivalents, excluding certain amounts held in foreign jurisdictions and cash otherwise unavailable for operations, and remaining availability under Duke Energy's available credit facilities, including the master credit facility. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents.
### Duke Energy Corporation
### Operations, Maintenance and Other Expense
### (In millions)

<table>
<thead>
<tr>
<th></th>
<th>Actual December 31, 2014</th>
<th>Actual December 31, 2015</th>
<th>Actual December 31, 2016</th>
<th>Forecast December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation, maintenance and other&lt;sup&gt;a&lt;/sup&gt;</td>
<td>$5,506</td>
<td>$5,539</td>
<td>$6,085</td>
<td>$6,201</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs to Achieve, Mergers&lt;sup&gt;b&lt;/sup&gt;</td>
<td>(178)</td>
<td>(69)</td>
<td>(238)</td>
<td>(118)</td>
</tr>
<tr>
<td>Severance&lt;sup&gt;b&lt;/sup&gt;</td>
<td>–</td>
<td>(142)</td>
<td>(92)</td>
<td>–</td>
</tr>
<tr>
<td>Litigation Reserve&lt;sup&gt;b&lt;/sup&gt;</td>
<td>(102)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Ash Basin Settlement and Penalties&lt;sup&gt;b&lt;/sup&gt;</td>
<td>–</td>
<td>(14)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Reagents Recoverable&lt;sup&gt;c&lt;/sup&gt;</td>
<td>(140)</td>
<td>(111)</td>
<td>(93)</td>
<td>(248)</td>
</tr>
<tr>
<td>Energy Efficiency Recoverable&lt;sup&gt;c&lt;/sup&gt;</td>
<td>(298)</td>
<td>(287)</td>
<td>(417)</td>
<td>(434)</td>
</tr>
<tr>
<td>Other Deferrals and Recoverable&lt;sup&gt;c&lt;/sup&gt;</td>
<td>(100)</td>
<td>(93)</td>
<td>(233)</td>
<td>(256)</td>
</tr>
<tr>
<td>Margin based O&amp;M for Commercial Businesses</td>
<td>–</td>
<td>(48)</td>
<td>(185)</td>
<td>(256)</td>
</tr>
<tr>
<td>Short-term incentive payments (over)/under target</td>
<td>(6)</td>
<td>(19)</td>
<td>(90)</td>
<td>–</td>
</tr>
<tr>
<td>Piedmont O&amp;M</td>
<td>–</td>
<td>–</td>
<td>(69)</td>
<td>(296)</td>
</tr>
<tr>
<td><strong>Non-Rider Recoverable operation, maintenance and other before Piedmont</strong></td>
<td><strong>$ 4,682</strong></td>
<td><strong>$ 4,756</strong></td>
<td><strong>$ 4,667</strong></td>
<td><strong>$ 4,593</strong></td>
</tr>
<tr>
<td>Piedmont O&amp;M</td>
<td>–</td>
<td>–</td>
<td>69</td>
<td>296</td>
</tr>
<tr>
<td><strong>Non-Rider Recoverable operation, maintenance and other</strong></td>
<td><strong>$ 4,682</strong></td>
<td><strong>$ 4,756</strong></td>
<td><strong>$ 4,736</strong></td>
<td><strong>$ 4,889</strong></td>
</tr>
</tbody>
</table>

<sup>a</sup> As reported in the Consolidated Statements of Operations.

<sup>b</sup> Presented as a special item for the purpose of calculating adjusted earnings and adjusted diluted earnings per share.

<sup>c</sup> Primarily represents expenses to be deferred or recovered through rate riders.
Duke Energy Corporation
2017 Forecasted Cash Flow Reconciliation, Required by SEC Regulation G
($ in millions)

### Forecast 2017

#### Primary Sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted net income (1)</td>
<td>3,225</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>4,100</td>
</tr>
<tr>
<td>Deferred and accrued taxes</td>
<td>1,450</td>
</tr>
<tr>
<td>Other sources / (uses), net</td>
<td>(940)</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>7,835</strong></td>
</tr>
</tbody>
</table>

#### Primary Uses:

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures (including discretionary)</td>
<td>(9,425)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(2,450)</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td><strong>(11,875)</strong></td>
</tr>
</tbody>
</table>

**Uses in Excess of Sources**

<table>
<thead>
<tr>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4,040)</td>
</tr>
</tbody>
</table>

#### Net Change in Financing

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt issuances</td>
<td>6,485</td>
</tr>
<tr>
<td>Debt maturities</td>
<td>(2,705)</td>
</tr>
<tr>
<td><strong>Net Change in Debt</strong></td>
<td><strong>3,780</strong></td>
</tr>
<tr>
<td><strong>Net Change in Cash</strong></td>
<td><strong>(260)</strong></td>
</tr>
</tbody>
</table>

#### Reconciliations to forecasted U.S. GAAP reporting amounts:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow components, sum (a)</td>
<td>7,835</td>
</tr>
<tr>
<td>Reconciling items to GAAP cash flows</td>
<td>(1,100)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>6,735</strong></td>
</tr>
<tr>
<td>Investing cash flow components, (b)</td>
<td>(9,425)</td>
</tr>
<tr>
<td>Reconciling items to GAAP cash flows</td>
<td>1,100</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(8,325)</strong></td>
</tr>
<tr>
<td>Financing cash flow components, (c)</td>
<td>1,330</td>
</tr>
<tr>
<td>Reconciling items to GAAP cash flows</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td><strong>1,330</strong></td>
</tr>
</tbody>
</table>

**Debt maturities [(d) from above] includes "Notes payable and commercial paper" which is separately presented per GAAP Consolidated Statements of Cash Flows**

**Net decrease in cash and cash equivalents per forecasted GAAP Consolidated Statements of Cash Flows**

<table>
<thead>
<tr>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(260)</td>
</tr>
</tbody>
</table>

### Notes:

1. The forecasted adjusted net income of $3,225 million for 2017 is an illustrative amount based on the midpoint of Duke Energy’s adjusted diluted EPS guidance range of $4.50-$4.70 per share. The EPS measure used for employee incentive compensation is primarily based on adjusted diluted EPS. Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial segment. 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. 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. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items.

2. Amount consists primarily of an adjustment for operating cashflow items (principally payments for asset retirement obligations) included in the "Capital expenditures (including discretionary)", which are combined for the GAAP reconciliation in Investing activities; and an adjustment for investing cash flow items (principally distributions from equity investments and Other) included in the "Other sources/uses, net", which are combined for the GAAP reconciliation in Operating activities.
DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2014
dollars in millions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Net Income 2014</td>
<td>$ 1,072</td>
<td>$ 467</td>
<td>$ 1,539</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Items (1)</td>
<td>139</td>
<td>56</td>
<td>195</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Adjusted Net Income 2014</td>
<td>1,211</td>
<td>523</td>
<td>1,734</td>
<td>662</td>
<td>366</td>
</tr>
</tbody>
</table>

2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>10,924</td>
<td>5,867</td>
</tr>
<tr>
<td>Goodwill</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity less Goodwill</td>
<td>10,924</td>
<td>5,867</td>
</tr>
</tbody>
</table>

2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>10,350</td>
<td>5,625</td>
</tr>
<tr>
<td>Goodwill</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity less Goodwill</td>
<td>10,350</td>
<td>5,625</td>
</tr>
</tbody>
</table>

Average Equity less Goodwill

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>16,383</td>
<td>5,010</td>
<td>3,894</td>
</tr>
</tbody>
</table>

Adjusted Book ROEs

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.6%</td>
<td>11.2%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

(1) Costs to Achieve (CTA), Mergers net of tax and Litigation Reserve.
(2) Net Income for 2014 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA.
(3) Reconciliation of Duke Energy Ohio Equity to Equity of the reportable segments:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Equity for Duke Energy Ohio</td>
<td>4,674</td>
<td>5,269</td>
</tr>
<tr>
<td>Less: Non-Reg &amp; Other</td>
<td>1,972</td>
<td>2,316</td>
</tr>
<tr>
<td>Duke Energy Ohio Reportable Segments</td>
<td>2,702</td>
<td>2,953</td>
</tr>
</tbody>
</table>
DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2015
dollars in millions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Net Income 2015</td>
<td>$ 1,081</td>
<td>$ 566</td>
<td>$ 1,647</td>
<td>$ 599</td>
<td>$ 316</td>
<td>$ 191 (2)</td>
</tr>
<tr>
<td>Special Items (1)</td>
<td>94</td>
<td>34</td>
<td>128</td>
<td>12</td>
<td>66</td>
<td>3</td>
</tr>
<tr>
<td>Adjusted Net Income 2015</td>
<td>1,175</td>
<td>600</td>
<td>1,775</td>
<td>611</td>
<td>382</td>
<td>194</td>
</tr>
</tbody>
</table>

2015

<table>
<thead>
<tr>
<th></th>
<th>Equity</th>
<th>Goodwill</th>
<th>Equity less Goodwill</th>
<th>Equity less Goodwill</th>
<th>Average Equity less Goodwill</th>
<th>Adjusted Book ROEs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,606</td>
<td>7,059</td>
<td>18,665</td>
<td>5,121</td>
<td>3,836</td>
<td>1,935</td>
</tr>
</tbody>
</table>

2014

<table>
<thead>
<tr>
<th></th>
<th>Equity</th>
<th>Goodwill</th>
<th>Equity less Goodwill</th>
<th>Equity less Goodwill</th>
<th>Average Equity less Goodwill</th>
<th>Adjusted Book ROEs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,924</td>
<td>5,867</td>
<td>16,791</td>
<td>5,222</td>
<td>3,848</td>
<td>1,782</td>
</tr>
</tbody>
</table>

(1) Costs to Achieve (CTA), Mergers net of tax, Edwardsport Settlement, Cost Savings Initiatives and Ash Basin Settlements and Penalties.
(2) Net Income for 2015 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA.
(3) Reconciliation of Duke Energy Ohio Equity to Equity of the reportable segments:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Equity for Duke Energy Ohio</td>
<td>2,784</td>
<td>4,674</td>
</tr>
<tr>
<td>Less: Non-Reg &amp; Other</td>
<td>(71)</td>
<td>1,972</td>
</tr>
<tr>
<td>Duke Energy Ohio Reportable Segments</td>
<td>2,853</td>
<td>2,702</td>
</tr>
</tbody>
</table>
DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2016
dollars in millions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Net Income 2016</td>
<td>$1,166</td>
<td>$599</td>
<td>$1,765</td>
<td>$551</td>
<td>$381</td>
<td>$231 (2)</td>
</tr>
<tr>
<td>Special Items (1)</td>
<td>91</td>
<td>50</td>
<td>141</td>
<td>19</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Net Income 2016</td>
<td>1,257</td>
<td>649</td>
<td>1,906</td>
<td>570</td>
<td>391</td>
<td>231</td>
</tr>
</tbody>
</table>

2016

<table>
<thead>
<tr>
<th></th>
<th>Equity</th>
<th>Goodwill</th>
<th>Equity less Goodwill</th>
<th>2016</th>
<th>Equity</th>
<th>Goodwill</th>
<th>Equity less Goodwill</th>
<th>2015</th>
<th>Equity</th>
<th>Goodwill</th>
<th>Equity less Goodwill</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>10,772</td>
<td>-</td>
<td>10,772</td>
<td>7,358</td>
<td>18,130</td>
<td>4,900</td>
<td>4,067</td>
<td>3,027</td>
<td>2,855</td>
<td>920</td>
<td>2,107</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>920</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Equity less Goodwill</td>
<td>10,772</td>
<td>7,358</td>
<td>18,130</td>
<td>4,900</td>
<td>4,067</td>
<td>2,107</td>
<td>2,107</td>
<td>3,027</td>
<td>2,855</td>
<td>920</td>
<td>2,107</td>
<td></td>
</tr>
</tbody>
</table>

2015

<table>
<thead>
<tr>
<th></th>
<th>Equity</th>
<th>Goodwill</th>
<th>Equity less Goodwill</th>
<th>2015</th>
<th>Equity</th>
<th>Goodwill</th>
<th>Equity less Goodwill</th>
<th>2015</th>
<th>Equity</th>
<th>Goodwill</th>
<th>Equity less Goodwill</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>11,606</td>
<td>7,059</td>
<td>18,665</td>
<td>5,121</td>
<td>3,836</td>
<td>2,855</td>
<td>1,935</td>
<td>3,027</td>
<td>2,855</td>
<td>920</td>
<td>2,107</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>920</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Equity less Goodwill</td>
<td>11,606</td>
<td>7,059</td>
<td>18,665</td>
<td>5,121</td>
<td>3,836</td>
<td>1,935</td>
<td>2,021</td>
<td>3,027</td>
<td>2,855</td>
<td>920</td>
<td>2,107</td>
<td></td>
</tr>
</tbody>
</table>

Adjusted Book ROEs

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Equity less Goodwill</td>
<td>18,398</td>
<td>18,398</td>
</tr>
<tr>
<td>Adjusted Book ROEs</td>
<td>10.4%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

(1) Costs to Achieve (CTA), Mergers net of tax and Cost Savings Initiatives.
(2) Net Income for 2016 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA and cost savings initiatives.
(3) Reconciliation of Duke Energy Ohio Equity to Equity of the reportable segments:

<table>
<thead>
<tr>
<th>Report</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Equity for Duke Energy Ohio</td>
<td>2,996</td>
<td>2,784</td>
</tr>
<tr>
<td>Less: Non-Reg &amp; Other</td>
<td>(31)</td>
<td>(71)</td>
</tr>
<tr>
<td>Duke Energy Ohio Reportable Segments</td>
<td>3,027</td>
<td>2,855</td>
</tr>
</tbody>
</table>
## FFO to Debt Calculation

**Duke Energy Corporation**

(in millions)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Forecast</td>
<td>Actual</td>
<td>Actual</td>
</tr>
<tr>
<td>Cash From Operations</td>
<td>$6,734</td>
<td>$6,798</td>
<td>$6,676</td>
</tr>
<tr>
<td>Working capital adjustment (1)</td>
<td>184</td>
<td>(345)</td>
<td>(181)</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>(124)</td>
<td>(100)</td>
<td>(98)</td>
</tr>
<tr>
<td>CR3 securitization adjustment</td>
<td>(55)</td>
<td>(35)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Funds From Operations</td>
<td>6,757</td>
<td>6,337</td>
<td>6,415</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARO spend</td>
<td>-</td>
<td>608</td>
<td>346</td>
</tr>
<tr>
<td>ARO spend, net of tax at 38%</td>
<td>348</td>
<td>377</td>
<td>215</td>
</tr>
<tr>
<td>FFO exc. coal ash spend (net of tax)</td>
<td>$7,105</td>
<td>$6,714</td>
<td>$6,630</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes payable and commercial paper</td>
<td>$-</td>
<td>$2,487</td>
<td>$3,633</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>-</td>
<td>$2,319</td>
<td>$2,026</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>-</td>
<td>45,576</td>
<td>36,842</td>
</tr>
<tr>
<td>Purchase accounting adjustments</td>
<td>-</td>
<td>(2,671)</td>
<td>(2,702)</td>
</tr>
<tr>
<td>CR3 securitization</td>
<td>-</td>
<td>(1,279)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>(125)</td>
<td>(142)</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$50,802</td>
<td>$46,307</td>
<td>$39,657</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFO / Debt</td>
<td>14%</td>
<td>14%</td>
<td>17%</td>
</tr>
</tbody>
</table>

(1) Working capital detail, excluding mark-to-market

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>$184</td>
<td>$391</td>
<td>359</td>
</tr>
<tr>
<td>Inventory</td>
<td>158</td>
<td>272</td>
<td>(237)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(152)</td>
<td>(220)</td>
<td>(65)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(16)</td>
<td>266</td>
<td>(6)</td>
</tr>
<tr>
<td>Taxes accrued</td>
<td>38</td>
<td>236</td>
<td>38</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(28)</td>
<td>182</td>
<td>168</td>
</tr>
<tr>
<td></td>
<td>$184</td>
<td>345</td>
<td>181</td>
</tr>
</tbody>
</table>
### FFO to Debt Calculation

**Duke Energy Carolinas**

*(in millions)*

<table>
<thead>
<tr>
<th></th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>Forecast</td>
</tr>
<tr>
<td>Cash From Operations</td>
<td>$ 2,556</td>
</tr>
<tr>
<td>Working capital adjustment (1)</td>
<td>88</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>(46)</td>
</tr>
<tr>
<td>Funds From Operations</td>
<td>2,598</td>
</tr>
<tr>
<td>ARO spend</td>
<td>-</td>
</tr>
<tr>
<td>ARO spend, net of tax at 38%</td>
<td>145</td>
</tr>
<tr>
<td>FFO exc. coal ash spend (net of tax)</td>
<td>$ 2,743</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>$ -</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>-</td>
</tr>
<tr>
<td>Long-term debt payable to affiliated companies</td>
<td>-</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$ 10,047</td>
</tr>
<tr>
<td>FFO / Debt</td>
<td>27%</td>
</tr>
</tbody>
</table>

(1) Working capital detail, excluding mark-to-market

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>$ (33)</td>
<td>$ (76)</td>
<td>$ 42</td>
</tr>
<tr>
<td>Receivables from affiliated companies</td>
<td>-</td>
<td>(56)</td>
<td>(32)</td>
</tr>
<tr>
<td>Inventory</td>
<td>20</td>
<td>215</td>
<td>(157)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(126)</td>
<td>67</td>
<td>(51)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>23</td>
<td>(85)</td>
<td>(4)</td>
</tr>
<tr>
<td>Accounts payable to affiliated companies</td>
<td>-</td>
<td>18</td>
<td>75</td>
</tr>
<tr>
<td>Taxes accrued</td>
<td>(6)</td>
<td>187</td>
<td>(128)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>34</td>
<td>63</td>
<td>127</td>
</tr>
<tr>
<td></td>
<td>$ (88)</td>
<td>$ 333</td>
<td>$ (128)</td>
</tr>
</tbody>
</table>
### FFO to Debt Calculation

#### Duke Energy Progress

*(in millions)*

<table>
<thead>
<tr>
<th>Years Ended December 31,</th>
<th>2017 Forecast</th>
<th>2016 Actual</th>
<th>2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash From Operations</td>
<td>$ 1,305</td>
<td>$ 1,932</td>
<td>$ 1,594</td>
</tr>
<tr>
<td>Working capital adjustment (1)</td>
<td>106</td>
<td>(502)</td>
<td>(219)</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>(22)</td>
<td>(17)</td>
<td>(20)</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Funds From Operations</strong></td>
<td>1,392</td>
<td>1,415</td>
<td>1,357</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARO spend</td>
<td>-</td>
<td>212</td>
<td>109</td>
</tr>
<tr>
<td>ARO spend, net of tax at 38%</td>
<td>148</td>
<td>131</td>
<td>68</td>
</tr>
<tr>
<td><strong>FFO exc. coal ash spend (net of tax)</strong></td>
<td>$ 1,540</td>
<td>$ 1,546</td>
<td>$ 1,425</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes payable to affiliated companies</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 209</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>-</td>
<td>452</td>
<td>2</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>-</td>
<td>6,409</td>
<td>6,366</td>
</tr>
<tr>
<td>Long-term debt payable to affiliated companies</td>
<td>-</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>$ 7,366</td>
<td>$ 7,011</td>
<td>$ 6,727</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>FFO / Debt</strong></th>
<th>21%</th>
<th>22%</th>
<th>21%</th>
</tr>
</thead>
</table>

(1) Working capital detail, excluding mark-to-market

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>(38)</td>
<td>(17)</td>
<td>43</td>
</tr>
<tr>
<td>Receivables from affiliated companies</td>
<td>-</td>
<td>11</td>
<td>(6)</td>
</tr>
<tr>
<td>Inventory</td>
<td>45</td>
<td>12</td>
<td>(50)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(40)</td>
<td>84</td>
<td>185</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>13</td>
<td>171</td>
<td>(65)</td>
</tr>
<tr>
<td>Accounts payable to affiliated companies</td>
<td>-</td>
<td>37</td>
<td>70</td>
</tr>
<tr>
<td>Taxes accrued</td>
<td>(80)</td>
<td>90</td>
<td>(34)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(6)</td>
<td>114</td>
<td>76</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(106)</td>
<td>502</td>
<td>219</td>
</tr>
</tbody>
</table>
### FFO to Debt Calculation

**Duke Energy Florida**

(in millions)

<table>
<thead>
<tr>
<th></th>
<th>2017 Forecast</th>
<th>2016 Actual</th>
<th>2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash From Operations</strong></td>
<td>$1,155</td>
<td>$844</td>
<td>$1,373</td>
</tr>
<tr>
<td><strong>Working capital adjustment (1)</strong></td>
<td>3</td>
<td>252</td>
<td>(159)</td>
</tr>
<tr>
<td><strong>Capitalized Interest</strong></td>
<td>(27)</td>
<td>(14)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>CR3 securitization adjustment</strong></td>
<td>(55)</td>
<td>(35)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>14</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td><strong>Funds From Operations</strong></td>
<td>1,090</td>
<td>1,060</td>
<td>1,222</td>
</tr>
</tbody>
</table>

- ARO spend
- ARO spend, net of tax at 38%

<table>
<thead>
<tr>
<th></th>
<th>2017 Forecast</th>
<th>2016 Actual</th>
<th>2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funds From Operations</strong></td>
<td>$1,090</td>
<td>$1,096</td>
<td>$1,251</td>
</tr>
</tbody>
</table>

- Notes payable to affiliated companies
- Current maturities of long-term debt
- Long-term debt
- CR3 securitization

**Total Debt**

<table>
<thead>
<tr>
<th></th>
<th>2017 Forecast</th>
<th>2016 Actual</th>
<th>2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,493</td>
<td>$5,143</td>
<td>$5,079</td>
</tr>
</tbody>
</table>

### FFO / Debt

<table>
<thead>
<tr>
<th></th>
<th>20%</th>
<th>21%</th>
<th>25%</th>
</tr>
</thead>
</table>

(1) Working capital detail, excluding mark-to-market

<table>
<thead>
<tr>
<th></th>
<th>2017 Forecast</th>
<th>2016 Actual</th>
<th>2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receivables</strong></td>
<td>$ (19)</td>
<td>$23</td>
<td>$ 61</td>
</tr>
<tr>
<td><strong>Receivables from affiliated companies</strong></td>
<td>-</td>
<td>21</td>
<td>(44)</td>
</tr>
<tr>
<td><strong>Inventory</strong></td>
<td>-</td>
<td>23</td>
<td>(17)</td>
</tr>
<tr>
<td><strong>Other current assets</strong></td>
<td>14</td>
<td>(133)</td>
<td>116</td>
</tr>
<tr>
<td><strong>Accounts payable</strong></td>
<td>(15)</td>
<td>71</td>
<td>(127)</td>
</tr>
<tr>
<td><strong>Accounts payable to affiliated companies</strong></td>
<td>-</td>
<td>9</td>
<td>46</td>
</tr>
<tr>
<td><strong>Taxes accrued</strong></td>
<td>18</td>
<td>(117)</td>
<td>67</td>
</tr>
<tr>
<td><strong>Other current liabilities</strong></td>
<td>(1)</td>
<td>(149)</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ (3)</td>
<td>(252)</td>
<td>$159</td>
</tr>
</tbody>
</table>
# FFO to Debt Calculation

**Duke Energy Indiana**  
*(in millions)*

<table>
<thead>
<tr>
<th></th>
<th>2017 Forecast</th>
<th>2016 Actual</th>
<th>2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash From Operations</td>
<td>$ 1,065</td>
<td>$ 871</td>
<td>$ 1,176</td>
</tr>
<tr>
<td>Working capital adjustment (1)</td>
<td>(78)</td>
<td>132</td>
<td>(225)</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>(15)</td>
<td>(7)</td>
<td>(6)</td>
</tr>
<tr>
<td>Funds From Operations</td>
<td>972</td>
<td>996</td>
<td>945</td>
</tr>
<tr>
<td>ARO spend</td>
<td>-</td>
<td>46</td>
<td>19</td>
</tr>
<tr>
<td>ARO spend, net of tax at 38%</td>
<td>47</td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td><strong>FFO exc. coal ash spend (net of tax)</strong></td>
<td><strong>$ 1,019</strong></td>
<td><strong>$ 1,025</strong></td>
<td><strong>$ 957</strong></td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>-</td>
<td>$ 3</td>
<td>$ 547</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>-</td>
<td>3,633</td>
<td>3,071</td>
</tr>
<tr>
<td>Long-term debt payable to affiliated companies</td>
<td>-</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>CRC allocated balance</td>
<td>-</td>
<td>174</td>
<td>174</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>$ 3,908</td>
<td>$ 3,960</td>
<td>$ 3,942</td>
</tr>
</tbody>
</table>

**FFO / Debt**  
26%  
26%  
24%  

(1) Working capital detail, excluding mark-to-market  

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>$ (25)</td>
<td>$ (2)</td>
<td>$ (7)</td>
</tr>
<tr>
<td>Receivables from affiliated companies</td>
<td>-</td>
<td>(43)</td>
<td>44</td>
</tr>
<tr>
<td>Inventory</td>
<td>92</td>
<td>66</td>
<td>(21)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>-</td>
<td>(67)</td>
<td>90</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>22</td>
<td>8</td>
<td>33</td>
</tr>
<tr>
<td>Accounts payable to affiliated companies</td>
<td>-</td>
<td>(9)</td>
<td>25</td>
</tr>
<tr>
<td>Taxes accrued</td>
<td>(5)</td>
<td>(4)</td>
<td>35</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(6)</td>
<td>(81)</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 78</td>
<td>(132)</td>
<td>$ 225</td>
</tr>
</tbody>
</table>
## FFO to Debt Calculation

**Duke Energy Ohio**

*(in millions)*

<table>
<thead>
<tr>
<th></th>
<th>2017 Forecast</th>
<th>2016 Actual</th>
<th>2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash From Operations</td>
<td>$ 425</td>
<td>$ 425</td>
<td>$ 667</td>
</tr>
<tr>
<td>Working capital adjustment (1)</td>
<td>73</td>
<td>15</td>
<td>(91)</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>(9)</td>
<td>(8)</td>
<td>(10)</td>
</tr>
<tr>
<td>Funds From Operations</td>
<td>489</td>
<td>432</td>
<td>566</td>
</tr>
<tr>
<td>ARO spend</td>
<td>-</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>ARO spend, net of tax at 38%</td>
<td>8</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>FFO exc. coal ash spend (net of tax)</strong></td>
<td><strong>$ 497</strong></td>
<td><strong>$ 435</strong></td>
<td><strong>$ 568</strong></td>
</tr>
<tr>
<td>Notes payable to affiliated companies</td>
<td>$ -</td>
<td>$ 16</td>
<td>$ 103</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>-</td>
<td>1</td>
<td>106</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>-</td>
<td>1,858</td>
<td>1,467</td>
</tr>
<tr>
<td>Long-term debt payable to affiliated companies</td>
<td>-</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>CRC allocated balance</td>
<td>-</td>
<td>151</td>
<td>151</td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td><strong>$ 2,250</strong></td>
<td><strong>$ 2,051</strong></td>
<td><strong>$ 1,852</strong></td>
</tr>
</tbody>
</table>

**FFO / Debt**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22%</td>
<td>21%</td>
<td>31%</td>
</tr>
</tbody>
</table>

(1) Working capital detail, excluding mark-to-market

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>$ (62)</td>
<td>$ (4)</td>
<td>$ 23</td>
</tr>
<tr>
<td>Receivables from affiliated companies</td>
<td>-</td>
<td>(36)</td>
<td>23</td>
</tr>
<tr>
<td>Inventory</td>
<td>-</td>
<td>(32)</td>
<td>-</td>
</tr>
<tr>
<td>Other current assets</td>
<td>-</td>
<td>79</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(5)</td>
<td>19</td>
<td>(1)</td>
</tr>
<tr>
<td>Accounts payable to affiliated companies</td>
<td>-</td>
<td>10</td>
<td>(21)</td>
</tr>
<tr>
<td>Taxes accrued</td>
<td>(6)</td>
<td>3</td>
<td>(21)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>-</td>
<td>(54)</td>
<td>88</td>
</tr>
<tr>
<td></td>
<td>$ (73)</td>
<td>$ (15)</td>
<td>$ 91</td>
</tr>
</tbody>
</table>
**FFO to Debt Calculation**

**Piedmont Natural Gas**

(in millions)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2017 Forecast</th>
<th>December 31, 2016 Actual</th>
<th>December 31, 2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash From Operations</td>
<td>$ 405</td>
<td>$ 308</td>
<td>$ 372</td>
</tr>
<tr>
<td>Working capital adjustment (1)</td>
<td>94</td>
<td>101</td>
<td>(37)</td>
</tr>
<tr>
<td>Funds From Operations</td>
<td>499</td>
<td>409</td>
<td>335</td>
</tr>
<tr>
<td>ARO spend</td>
<td>-</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>ARO spend, net of tax at 38%</td>
<td>-</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>FFO exc. coal ash spend (net of tax)</td>
<td>$ 499</td>
<td>$ 413</td>
<td>$ 339</td>
</tr>
<tr>
<td>Notes payable</td>
<td>-</td>
<td>$ 145</td>
<td>$ 340</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>-</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>-</td>
<td>1,786</td>
<td>1,524</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$ 2,548</td>
<td>$ 1,966</td>
<td>$ 1,904</td>
</tr>
</tbody>
</table>

**FFO / Debt**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFO / Debt</td>
<td>20%</td>
<td>21%</td>
<td>18%</td>
</tr>
</tbody>
</table>

(1) Working capital detail, excluding mark-to-market

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>$ -</td>
<td>$ 7</td>
<td>$ (3)</td>
</tr>
<tr>
<td>Receivables from affiliated companies</td>
<td>-</td>
<td>(7)</td>
<td>-</td>
</tr>
<tr>
<td>Inventory</td>
<td>-</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Other current assets</td>
<td>-</td>
<td>(99)</td>
<td>46</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(3)</td>
<td>6</td>
<td>(5)</td>
</tr>
<tr>
<td>Accounts payable to affiliated companies</td>
<td>-</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Taxes accrued</td>
<td>(87)</td>
<td>(14)</td>
<td>4</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(4)</td>
<td>(14)</td>
<td>(21)</td>
</tr>
</tbody>
</table>

$ (94)                        | (101)| $ 37 |