News Release

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# Duke Energy's 2013 adjusted EPS results meet expectations; company announces 2014 adjusted EPS guidance range

- **Company achieves adjusted diluted earnings per share (EPS) of $4.35 in 2013, compared to $4.32 in 2012; reported diluted EPS of $3.76 for 2013, compared to $3.07 in 2012**
- **Fourth quarter 2013 adjusted diluted EPS of $1.00, compared with 70 cents for the fourth quarter 2012; fourth quarter 2013 reported diluted EPS of 97 cents, compared to 62 cents in 2012**
- **Company establishes 2014 adjusted diluted EPS guidance range of $4.45 to $4.60 and extends through 2016 its longer-term 4 to 6 percent average annual growth objective in adjusted diluted EPS**

CHARLOTTE, N.C. – Duke Energy today posted 2013 full-year adjusted diluted EPS of $4.35, achieving the midpoint of its adjusted diluted EPS guidance range of $4.25 to $4.45. Adjusted diluted EPS for 2012 was $4.32.

Duke Energy's full-year reported diluted EPS was $3.76 for 2013, compared to $3.07 in 2012.

Fourth quarter 2013 adjusted diluted EPS was $1.00, compared to 70 cents for fourth quarter 2012. Fourth quarter 2013 reported diluted EPS was 97 cents, compared to 62 cents for fourth quarter 2012.

For the quarter, the company achieved lower costs through synergies realized from the 2012 merger with Progress Energy; recovered infrastructure modernization costs through revised customer rates; and benefitted from the adoption of nuclear outage cost levelization in the Carolinas, which will lessen quarterly earnings volatility caused by the variable timing of nuclear refueling outages.

The company's International Energy segment also saw favorable volumes and pricing in Brazil.

These positive quarterly drivers helped offset the full-year impact of lower results from the company's Midwest gas generation fleet, unfavorable foreign exchange rates in Brazil, as well as interest expense on incremental financings.

"Our company demonstrated tremendous focus and discipline in 2013," said Lynn Good, president and CEO. "As a result, we achieved the mid-point of our earnings per share guidance range, increased the dividend, and exceeded our original target of 5 to 7 percent in non-fuel operating and maintenance savings.

"We are also ahead of target to achieve our merger savings commitment to Carolinas customers through fuel and joint-dispatch savings," she added.

"In 2014, we will focus on building on the momentum created in 2013 to achieve our financial and operational objectives," Good said.

The company has set its 2014 adjusted diluted EPS guidance range at $4.45 to $4.60 and updated through 2016 its longer-term 4 to 6 percent average annual growth in adjusted diluted EPS based upon the midpoint of the original 2013 adjusted diluted EPS guidance range of $4.20-4.45.

## Business Unit Results

The discussion below of fourth-quarter and year-end results includes adjusted segment income, which is a non-GAAP financial measure. The tables on pages 27 through 30 present a reconciliation of reported results to adjusted results.

## Regulated Utilities

Regulated Utilities (formerly known as U.S. Franchised Electric and Gas) recognized fourth-quarter 2013 adjusted segment income of $607 million, compared to $498 million in the fourth quarter 2012, an increase of $0.15 per share.

Increased quarterly results at Regulated Utilities were primarily driven by:

- Lower operating and maintenance expenses (+$0.20 per share) due in part to the adoption of nuclear outage cost levelization in the Carolinas, lower benefits costs and merger synergies
- Increased pricing and riders (+$0.12 per share) resulting from revised customer rates
- Favorable weather as compared to unfavorable weather in last year's quarter (+$0.06 per share)
- Increased wholesale net margins (+$0.03 per share).

These favorable drivers were partially offset by:

- Higher depreciation and amortization expense (-$0.09 per share) primarily resulting from reduced cost of removal amortization in Florida as well as additional plant in-service
- Higher effective tax rate (-$0.09 per share) largely resulting from the decrease in allowance for funds used during construction (AFUDC) equity.
- Lower AFUDC equity (-$0.05 per share) primarily due to the completion of certain major capital projects

Full-year 2013 adjusted segment income for Regulated Utilities was $2,776 million compared to $2,086 million in 2012, an increase of $0.98 per share.

These increased results were primarily driven by the addition of Progress Energy's regulated utility operations in the Carolinas and Florida for the first six months of the year (+$0.72 per share).

Other favorable drivers (excluding the addition of Progress Energy for the first six months of the year), included:

- Increased pricing and riders (+$0.35 per share) resulting from revised customer rates
- Lower operating and maintenance expenses (+$0.21 per share) due in part to the adoption of nuclear outage cost levelization in the Carolinas, lower benefits costs and merger synergies
- Increased retail volumes (+$0.07 per share)
- Increased wholesale margins including new contracts (+$0.07 per share)

These results were partially offset by:

- Higher depreciation and amortization expense (-$0.15 per share) primarily resulting from reduced cost of removal amortization in Florida as well as additional plant in-service
- Lower AFUDC equity (-$0.14 per share) primarily due to the completion of certain major capital projects
- Higher effective tax rates (-$0.11 per share) largely resulting from the decrease in AFUDC equity.
- Higher property taxes (-$0.03 per share)

## International Energy

International Energy recognized fourth-quarter 2013 adjusted segment income of $108 million, compared to $89 million in the fourth quarter 2012, an increase of $0.02 per share.

International Energy's improved quarterly earnings were primarily due to stronger results in Latin America (+$0.03 per share) due to higher volumes and pricing as well as lower purchased power costs in Brazil. These drivers were partially offset by unfavorable foreign currency exchange rates in Brazil (-$0.01 per share).

Full-year 2013 adjusted segment income for International Energy was $408 million compared to $439 million in 2012, a decrease of $0.04 per share.

Lower year-over-year results were primarily due to unfavorable foreign currency exchange rates in Brazil (-$0.03 per share) and lower results at National Methanol Company (-$0.03 per share) primarily due to an extended planned maintenance outage. These results were partially offset by stronger results in Latin America (+$0.03 per share) primarily driven by higher average prices in Brazil.

## Commercial Power

Commercial Power recognized fourth-quarter 2013 adjusted segment loss of $3 million, compared to break-even results in the fourth quarter 2012. This did not substantially affect earnings.

For the quarter, higher energy margins and PJM capacity revenues for the Midwest coal generation fleet (+$0.02 per share) were largely offset by lower margins at Duke Energy Retail (-$0.01 per share).

Full-year 2013 adjusted segment income for Commercial Power was $15 million compared to $93 million in 2012, a decrease of $0.11 per share.

Lower year-over-year results for Commercial Power were primarily due to lower results from the Midwest gas generation fleet (-$0.09 per share) due to lower energy margins and PJM capacity revenues as well as the prior year recovery of a previously written-off receivable from Lehman Brothers. For the Midwest coal generation fleet, lower PJM capacity revenues were largely offset by higher energy margins. Renewables results were lower (-$0.02) in 2013, primarily due to a prior year joint venture development fee.

## Other

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

Other recognized a fourth-quarter 2013 adjusted net expense of $6 million, compared to $91 million in the fourth quarter 2012, an improvement of $0.13 per share.

Other's favorable results were primarily due to a lower effective tax rate (+$0.10 per share), favorable captive insurance loss experience (+$0.01 per share), and higher investment returns (+$0.01 per share).

Full-year 2013 adjusted net expense for Other was $128 million compared to $135 million in 2012, an improvement of $0.01 per share.

For the year, interest expense on Progress Energy holding company debt for the first six months (-$0.07 per share) and Duke Energy holding company interest expense (-$0.04 per share) were offset by a lower effective tax rate (+$0.10 per share).

## Share Dilution

On July 2, 2012, Duke Energy issued approximately 258 million shares of common stock in connection with the closing of the merger with Progress Energy, Inc. The full year impact of the issuance of these additional shares had a dilutive impact of $0.81 per share on the year-over-year adjusted diluted EPS results.

## Earnings Conference Call for Analysts

An earnings conference call for analysts is scheduled for 10 a.m. ET today.

In addition to discussing the fourth quarter and year-end 2013 results, the company will provide its 2014 adjusted diluted earnings per share guidance range and other business and financial updates.

The conference call will be hosted by Lynn Good, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors' section (http://www.duke-energy.com/investors/) of Duke Energy's website or by dialing 888-349-9582 in the United States or 719-325-2291 outside the United States. The confirmation code is 8505537. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until 2 p.m. ET, Feb. 28, 2014, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code 8505537. A replay and transcript also will be available by accessing the investors' section of the company's website.

## Special Items and Non-GAAP Reconciliation

Special items affecting Duke Energy's adjusted diluted EPS for fourth quarter 2013 and fourth quarter 2012 include:

| (In millions, except per-share amounts) | Pre-Tax Amount | Tax Effect | 4Q2013 EPS Impact | 4Q2012 EPS Impact |
|---|---|---|---|---|
| **Fourth Quarter 2013** | | | | |
| • Costs to Achieve, Progress Energy Merger | $(72) | $27 | $(0.06) | |
| • Crystal River Unit 3 Charges | $(57) | $22 | $(0.05) | |
| • Economic Hedges (Mark-to-Market) | $(17) | $6 | $(0.02) | |
| • Asset Sales | $81 | $(31) | $0.07 | |
| • Litigation Reserve | $28 | $(11) | $0.02 | |
| • Discontinued Operations | -- | $6 | $0.01 | |
| **Fourth Quarter 2012** | | | | |
| • Costs to Achieve, Progress Energy Merger | $(164) | $73 | | $(0.13) |
| • Edwardsport Charges | $(28) | $11 | | $(0.02) |
| • Economic Hedges (Mark-to-Market) | $26 | $(10) | | $0.02 |
| • Discontinued Operations | $56 | $(25) | | $0.05 |
| **Total diluted EPS impact** | | | **$(0.03)** | **$(0.08)** |

Special items affecting Duke Energy's adjusted diluted EPS for full-year 2013 and full-year 2012 include:

| (In millions, except per-share amounts) | Pre-Tax Amount | Tax Effect | 2013 EPS Impact | 2012 EPS Impact |
|---|---|---|---|---|
| **Full-Year 2013** | | | | |
| • Crystal River Unit 3 Charges | $(352) | $137 | $(0.31) | |
| • Costs to Achieve, Progress Energy Merger | $(297) | $113 | $(0.26) | |
| • Nuclear Development Charges | $(87) | $30 | $(0.08) | |
| • Litigation Reserve | $(22) | $8 | $(0.02) | |
| • Economic Hedges (Mark-to-Market) | $(4) | $1 | $(0.01) | |
| • Asset Sales | $81 | $(31) | $0.07 | |
| • Discontinued Operations | $(10) | $27 | $0.02 | |
| **Full-Year 2012** | | | | |
| • Costs to Achieve, Progress Energy Merger | $(636) | $239 | | $(0.70) |
| • Edwardsport Charges | $(628) | $226 | | $(0.70) |
| • DNC Host Committee Support | $(10) | $4 | | $(0.01) |
| • Economic Hedges (Mark-to-Market) | $(9) | $3 | | $(0.01) |
| • Voluntary Opportunity Plan Deferral | $99 | $(39) | | $0.11 |
| • Discontinued Operations | $60 | $(24) | | $0.06 |
| **Total diluted EPS impact** | | | **$(0.59)** | **$(1.25)** |

Reconciliation of reported to adjusted diluted EPS for the quarters:

| | 4Q2013 EPS | 4Q2012 EPS |
|---|---|---|
| Diluted EPS, as reported | $0.97 | $0.62 |
| Adjustments to reported EPS:<br>• Diluted EPS impact of special items, mark-to-market in Commercial Power, and discontinued operations (net of tax) | $0.03 | $0.08 |
| **Diluted EPS, adjusted** | **$1.00** | **$0.70** |

Reconciliation of reported to adjusted diluted EPS for the annual periods:

| | 2013 EPS | 2012 EPS |
|---|---|---|
| Diluted EPS, as reported | $3.76 | $3.07 |
| Adjustments to reported EPS:<br>• Diluted EPS impact of special items, mark-to-market in Commercial Power, and discontinued operations (net of tax) | $0.59 | $1.25 |
| **Diluted EPS, adjusted** | **$4.35** | **$4.32** |

## Non-GAAP financial measures

Management evaluates financial performance in part based on the non-GAAP financial measures, adjusted earnings and adjusted diluted earnings per share (EPS). These items are measured as income from continuing operations after deducting income attributable to noncontrolling interests, adjusted for the dollar and per share impact of special items and mark-to-market impacts of economic hedges in the Commercial Power 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. Mark-to-market adjustments reflect the impact of derivative contracts, which are used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The mark-to-market impact of derivative contracts is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory treatment. The economic value of generation assets is subject to fluctuations in fair value due to market price volatility of input and output commodities (e.g. coal, electricity, natural gas). Economic hedging involves both purchases and sales of those input and output commodities related to generation assets. Operations of the generation assets are accounted for under the accrual method. Management believes excluding impacts of mark-to-market changes of the derivative contracts from adjusted earnings until settlement better matches the financial impacts of the derivative contract with the portion of economic value of the underlying hedged asset. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting results to the Board of Directors, employees, shareholders, analysts and investors concerning Duke Energy's financial

performance. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation and Diluted EPS attributable to Duke Energy Corporation common shareholders, which include the dollar and per share impact of special items, mark-to-market impacts of economic hedges in the Commercial Power segment and discontinued operations.

Management evaluates segment performance based on segment income. Segment income is defined as income from continuing operations net of income attributable to noncontrolling interests. Segment income, as discussed below, includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items and mark-to-market impacts of economic hedges in the Commercial Power segment. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income is segment income, which represents segment income from continuing operations, including any special items and mark-to-market impacts of economic hedges in the Commercial Power segment.

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 or mark-to-market adjustments for future periods. The earnings guidance range assumptions for 2014 include a full-year of earnings contributions from the Midwest generation fleet, which management has begun a process to exit. Irrespective of whether this business is reclassified as discontinued operations for accounting purposes, management expects to continue including any Midwest generation fleet earnings in adjusted earnings, adjusted diluted EPS, and adjusted segment income. Management believes it is unlikely a sale transaction will close in 2014.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted Other net expenses and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, the mark-to-market impacts of economic hedges in the Commercial Power segment, or any amounts that may be reported as discontinued operations or extraordinary items for future periods.

Duke Energy is the largest electric power holding company in the United States with more than $110 billion in total assets. Its regulated utility operations serve approximately 7.2 million electric customers located in six states in the Southeast and

Midwest. Its commercial power and international business segments own and operate diverse power generation assets in North America and Latin America, including a growing portfolio of renewable energy assets in the United States.

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

## Forward-Looking Information

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

These forward-looking statements are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," “target,” “guidance,” “outlook” and similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: state, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements or climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; the ability to recover eligible costs, including those associated with future significant weather events, and earn an adequate return on investment through the regulatory process; the costs of decommissioning Crystal River Unit 3 could prove to be more extensive than is currently identified and all costs may not be fully recoverable through the regulatory process; the risk that the credit ratings of the company or its subsidiaries may be different from what the companies expect; 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 customer usage patterns, including energy efficiency efforts and use of alternative energy sources including self-generation and distributed generation technologies; additional competition in electric markets and continued industry consolidation; political and regulatory uncertainty in other countries in which Duke Energy conducts business; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts and tornadoes; the ability to successfully operate electric generating facilities and deliver electricity to customers; the impact on facilities and business from a terrorist attack, cyber security threats, data security breaches and other catastrophic events; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and

financial risks; the timing and extent of changes in commodity price, interest rates and foreign currency exchange 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 and general economic conditions; declines in the market prices of equity securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans, and nuclear decommissioning trust funds; 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; the impact of potential goodwill impairments; the ability to reinvest retained earnings of foreign subsidiaries or repatriate such earnings on a tax free basis; and the ability to successfully complete future merger, acquisition or divestiture plans.

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 Duke Energy has described. Forward looking statements speak only as of the date they are made, Duke Energy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise that occur after that date.

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**DUKE ENERGY CORPORATION**
**EARNINGS VARIANCES**
**December 2013 QTD vs. Prior Year**

| ($ per share) | Regulated Utilities | International Energy | Commercial Power | Other | Consolidated |
|---|---|---|---|---|---|
| **2012 QTD Reported Earnings Per Share, Diluted** | **$ 0.69** | **$ 0.13** | **$ 0.02** | **$ (0.27)** | **$ 0.62** |
| Costs to Achieve, Progress Merger | - | - | - | 0.13 | 0.13 |
| Edwardsport Charges | 0.02 | - | - | - | 0.02 |
| Economic Hedges (Mark-to-Market) | - | - | (0.02) | - | (0.02) |
| Discontinued Operations | | | | | (0.05) |
| **2012 QTD Adjusted Earnings Per Share, Diluted** | **$ 0.71** | **$ 0.13** | **$ -** | **$ (0.14)** | **$ 0.70** |
| Weather | 0.06 | - | - | - | 0.06 |
| Pricing and Riders (a) | 0.12 | - | - | - | 0.12 |
| Operation and Maintenance, net of recoverables (b) | 0.20 | - | - | - | 0.20 |
| Latin America, including Foreign Exchange Rates (c) | - | 0.02 | - | - | 0.02 |
| Midwest Coal Generation (d) | - | - | 0.02 | - | 0.02 |
| Duke Energy Retail | - | - | (0.01) | - | (0.01) |
| Interest Expense | (0.01) | - | - | (0.01) | (0.02) |
| Change in effective income tax rate | (0.09) | - | (0.01) | 0.10 | - |
| Other (e)(f) | (0.13) | - | - | 0.04 | (0.09) |
| **2013 QTD Adjusted Earnings Per Share, Diluted** | **$ 0.86** | **$ 0.15** | **$ -** | **$ (0.01)** | **$ 1.00** |
| Crystal River Unit 3 Charges | (0.05) | - | - | - | (0.05) |
| Asset Sales | - | - | (0.02) | 0.09 | 0.07 |
| Costs to Achieve, Progress Merger | - | - | - | (0.06) | (0.06) |
| Litigation Reserve | - | - | - | 0.02 | 0.02 |
| Economic Hedges (Mark-to-Market) | - | - | (0.02) | - | (0.02) |
| Discontinued Operations | | | | | 0.01 |
| **2013 QTD Reported Earnings Per Share, Diluted** | **$ 0.81** | **$ 0.15** | **$ (0.04)** | **$ 0.04** | **$ 0.97** |

Note 1: Earnings Per Share amounts are calculated using the consolidated effective income tax rate.
Note 2: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

(a) Primarily due to the September 2013 implementation of revised base rates for Duke Energy Carolinas (+$0.07), the June 2013 implementation of revised base rates for Duke Energy Progress (+$0.04), the January 2013 implementation of revised base rates for Duke Energy Florida (+$0.03), and the May 2013 implementation of revised distribution rates for Duke Energy Ohio (+$0.01).

(b) Primarily driven by the impact of nuclear outage cost levelization, lower generation operating expenses and lower benefit costs.

(c) Primarily driven by higher volumes and pricing as well as lower average purchased power costs in Brazil (+$0.03), partially offset by unfavorable foreign exchange rates (-$0.01).

(d) Primarily due to higher energy margins and PJM capacity revenues (+$0.02).

(e) Amount for Regulated Utilities includes an increase in depreciation and amortization expense (-$0.09), lower AFUDC-equity (-$0.05), and higher non-income taxes (-$0.01), partially offset by higher wholesale margins, including new contracts (+$0.03).

(f) Amount for Other principally includes favorable captive insurance loss experience (+$0.01) and higher investment returns (+$0.01).

**DUKE ENERGY CORPORATION**
**EARNINGS VARIANCES**
**December 2013 YTD vs. Prior Year**

| ($ per share) | Regulated Utilities | International Energy | Commercial Power | Other | Consolidated |
|---|---|---|---|---|---|
| **2012 YTD Reported Earnings Per Share, Diluted** | **$ 3.04** | **$ 0.76** | **$ 0.15** | **$ (0.94)** | **$ 3.07** |
| Costs to Achieve, Progress Merger | - | - | - | 0.70 | 0.70 |
| Edwardsport Charges | 0.70 | - | - | - | 0.70 |
| Voluntary Opportunity Plan Deferral | (0.11) | - | - | - | (0.11) |
| DNC Host Committee Support | - | - | - | 0.01 | 0.01 |
| Economic Hedges (Mark-to-Market) | - | - | 0.01 | - | 0.01 |
| Discontinued Operations | | | | | (0.06) |
| **2012 YTD Adjusted Earnings Per Share, Diluted** | **$ 3.63** | **$ 0.76** | **$ 0.16** | **$ (0.23)** | **$ 4.32** |
| Share Differential (a) | (0.68) | (0.14) | (0.03) | 0.04 | (0.81) |
| **2012 YTD Adjusted Earnings Per Share, Diluted, Recasted for Share Issuance** | **$ 2.95** | **$ 0.62** | **$ 0.13** | **$ (0.19)** | **$ 3.51** |
| Progress Energy Contribution | 0.72 | - | - | (0.07) | 0.65 |
| Pricing and Riders (b) | 0.35 | - | - | - | 0.35 |
| Volume | 0.07 | - | - | - | 0.07 |
| Operation and Maintenance, net of recoverables (c) | 0.21 | - | - | - | 0.21 |
| Latin America, including Foreign Exchange Rates (d) | - | - | - | - | - |
| National Methanol Company | - | (0.03) | - | - | (0.03) |
| Midwest Coal Generation (e) | - | - | - | - | - |
| Midwest Gas Generation (f) | - | - | (0.09) | - | (0.09) |
| Interest Expense | 0.01 | - | 0.02 | (0.04) | (0.01) |
| Change in effective income tax rate | (0.11) | - | - | 0.10 | (0.01) |
| Other (g)(h) | (0.27) | (0.01) | (0.04) | 0.02 | (0.30) |
| **2013 YTD Adjusted Earnings Per Share, Diluted** | **$ 3.93** | **$ 0.58** | **$ 0.02** | **$ (0.18)** | **$ 4.35** |
| Crystal River Unit 3 Charges | (0.31) | - | - | - | (0.31) |
| Nuclear Development Charges | (0.08) | - | - | - | (0.08) |
| Costs to Achieve, Progress Merger | - | - | - | (0.26) | (0.26) |
| Litigation Reserve | - | - | - | (0.02) | (0.02) |
| Asset Sales | - | - | (0.02) | 0.09 | 0.07 |
| Economic Hedges (Mark-to-Market) | - | - | (0.01) | - | (0.01) |
| Discontinued Operations | | | | | 0.02 |
| **2013 YTD Reported Earnings Per Share, Diluted** | **$ 3.54** | **$ 0.58** | **$ (0.01)** | **$ (0.37)** | **$ 3.76** |

Note 1: Earnings Per Share amounts are calculated using the consolidated effective income tax rate.
Note 2: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

(a) Reflects the impact on prior period earnings per diluted share due to the increase in Duke Energy's weighted-average diluted common shares outstanding as a result of shares issued to complete the merger with Progress Energy. Weighted-average diluted shares outstanding increased from 575 million for the year ended December 31, 2012, to 706 million for the year ended December 31, 2013.

(b) Primarily due to the February 2012 and September 2013 implementation of revised base rates for Duke Energy Carolinas (+$0.11), the January 2013 implementation of revised base rates for Duke Energy Florida (+$0.08), the June 2013 implementation of revised base rates for Duke Energy Progress (+$0.07), increased recovery under the IGCC rider, net of AFUDC, for Duke Energy Indiana (+$0.05), and the May 2013 implementation of revised distribution rates for Duke Energy Ohio (+$0.03).

(c) Primarily driven by the impact of nuclear outage cost levelization, lower nuclear generation operating expenses, lower benefit costs and the deferral of Crystal River Unit 3 costs.

(d) Primarily driven by higher average prices in Brazil (+$0.03), offset by unfavorable foreign exchange rates (-$0.03).

(e) Primarily due to lower PJM capacity revenues (-$0.05), partially offset by higher energy margins (+$0.03) and lower operations and maintenance expense (+$0.02).

(f) Primarily due to decreased energy margins due to lower volumes (-$0.04), lower PJM capacity revenues (-$0.04), and the prior-year recovery of a previously written-off Lehman Brothers receivable (-$0.01).

(g) Amount for Regulated Utilities includes an increase in depreciation and amortization expense (-$0.15), lower AFUDC-equity (-$0.14), and higher property taxes (-$0.03), partially offset by higher wholesale margins, including new contracts (+$0.07).

(h) Amount for Commercial Power includes lower Renewables results (-$0.02).

**DUKE ENERGY CORPORATION**
**EARNINGS VARIANCES**
**December 2013 QTD vs. Prior Year**

| ($ per share) | Legacy Progress | Legacy Duke Energy | Consolidated |
|---|---|---|---|
| **2012 QTD Adjusted Earnings Per Share, Diluted** | **$ 0.22** | **$ 0.48** | **$ 0.70** |
| Weather | 0.01 | 0.05 | 0.06 |
| Pricing and Riders | 0.07 | 0.05 | 0.12 |
| Operation and Maintenance, net of recoverables | 0.06 | 0.14 | 0.20 |
| Latin America, including Foreign Exchange Rates | - | 0.02 | 0.02 |
| Midwest Coal Generation | - | 0.02 | 0.02 |
| Duke Energy Retail | - | (0.01) | (0.01) |
| Interest Expense | 0.01 | (0.03) | (0.02) |
| Change in effective income tax rate | 0.05 | (0.05) | - |
| Other | (0.03) | (0.06) | (0.09) |
| **2013 QTD Adjusted Earnings Per Share, Diluted** | **$ 0.39** | **$ 0.61** | **$ 1.00** |

Note 1: Earnings Per Share amounts are calculated using the consolidated effective income tax rate.
Note 2: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

**DUKE ENERGY CORPORATION**
**EARNINGS VARIANCES**
**December 2013 YTD vs. Prior Year**

| ($ per share) | Legacy Progress Energy: For the Six Months Ended June 30, 2013 | Legacy Progress Energy: For the Six Months Ended December 31, 2013 | Legacy Duke Energy: For the Year Ended December 31, 2013 | Consolidated |
|---|---|---|---|---|
| **2012 YTD Adjusted Earnings Per Share, Diluted** | | | | **$ 4.32** |
| Share Differential (a) | | | | (0.81) |
| **2012 YTD Adjusted Earnings Per Share, Diluted, Recasted for Share Issuance** | **$ -** | **$ 0.74** | **$ 2.77** | **$ 3.51** |
| Progress Energy Contribution for the six months ended June 30, 2013 (b) | 0.65 | - | - | 0.65 |
| Pricing and Riders | - | 0.17 | 0.18 | 0.35 |
| Volume | - | 0.02 | 0.05 | 0.07 |
| Operation and Maintenance and Governance Expenses | - | 0.03 | 0.18 | 0.21 |
| Latin America, including Foreign Exchange Rates | - | - | - | - |
| National Methanol Company | - | - | (0.03) | (0.03) |
| Midwest Coal Generation | - | - | - | - |
| Midwest Gas Generation | - | - | (0.09) | (0.09) |
| Interest Expense | - | 0.03 | (0.04) | (0.01) |
| Change in effective income tax rate | - | 0.03 | (0.04) | (0.01) |
| Other | - | (0.13) | (0.17) | (0.30) |
| **2013 YTD Adjusted Earnings Per Share, Diluted** | **$ 0.65** | **$ 0.89** | **$ 2.81** | **$ 4.35** |

Note 1: Earnings Per Share amounts are calculated using the consolidated effective income tax rate.
Note 2: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

(a) Reflects the impact on prior period earnings per diluted share due to the increase in Duke Energy's weighted-average diluted common shares outstanding as a result of shares issued to complete the merger with Progress Energy. Weighted-average diluted shares outstanding increased from 575 million for the year ended December 31, 2012, to 706 million for the year ended December 31, 2013.

(b) Reflects Progress Energy's contribution to EPS for the six months ended June 30, 2013. Progress Energy contributed +$0.72 per share to Regulated Utilities and -$0.07 per share to Other.

**December 2013**
**QUARTERLY HIGHLIGHTS**
**(Unaudited)**

| *(In millions, except per-share amounts and where noted)* | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Years Ended December 31, 2013 | Years Ended December 31, 2012 |
|---|---|---|---|---|
| **COMMON STOCK DATA** | | | | |
| Income from continuing operations attributable to Duke Energy Corporation common shareholders | | | | |
| Basic | $ 0.96 | $ 0.57 | $ 3.74 | $ 3.01 |
| Diluted | $ 0.96 | $ 0.57 | $ 3.74 | $ 3.01 |
| Income from discontinued operations attributable to Duke Energy Corporation common shareholders | | | | |
| Basic | $ 0.01 | $ 0.05 | $ 0.03 | $ 0.06 |
| Diluted | $ 0.01 | $ 0.05 | $ 0.02 | $ 0.06 |
| Net income attributable to Duke Energy Corporation common shareholders | | | | |
| Basic | $ 0.97 | $ 0.62 | $ 3.77 | $ 3.07 |
| Diluted | $ 0.97 | $ 0.62 | $ 3.76 | $ 3.07 |
| Dividends Declared Per Share | $ 0.78 | $ 0.765 | $ 3.09 | $ 3.03 |
| Weighted-Average Shares Outstanding | | | | |
| Basic | 706 | 704 | 706 | 574 |
| Diluted | 706 | 705 | 706 | 575 |
| **SEGMENT INCOME BY BUSINESS SEGMENT** | | | | |
| Regulated Utilities[(a)(b)(c)] | $ 572 | $ 481 | $ 2,504 | $ 1,744 |
| International Energy | 108 | 89 | 408 | 439 |
| Commercial Power | (29) | 16 | (3) | 87 |
| Total Reportable Segment Income | 651 | 586 | 2,909 | 2,270 |
| Other Net Expense[(d)(e)(f)] | 31 | (182) | (261) | (538) |
| Income from Discontinued Operations, net of tax | 6 | 31 | 17 | 36 |
| Net Income Attributable to Duke Energy Corporation | $ 688 | $ 435 | $ 2,665 | $ 1,768 |
| **CAPITALIZATION** | | | | |
| Total Common Equity | | | 50% | 50% |
| Total Debt | | | 50% | 50% |
| Total Debt | | | $ 41,095 | $ 40,518 |
| Book Value Per Share | | | $ 58.61 | $ 58.12 |
| Actual Shares Outstanding | | | 706 | 704 |
| **CAPITAL AND INVESTMENT EXPENDITURES** | | | | |
| Regulated Utilities | $ 1,476 | $ 1,360 | $ 5,049 | $ 4,220 |
| International Energy | 23 | 432 | 67 | 551 |
| Commercial Power | 158 | 213 | 268 | 1,038 |
| Other | 43 | 65 | 223 | 149 |
| Total Capital and Investment Expenditures | $ 1,700 | $ 2,070 | $ 5,607 | $ 5,958 |

(a) Includes impairment and other charges related to the Crystal River Unit 3 Nuclear Station of $35 million for the three months ended December 31, 2013 (net of tax of $22 million), and $215 million for the year ended December 31, 2013 (net of tax of $137 million).
(b) Includes impairment charges of $57 million for the year ended December 31, 2013 related to nuclear development costs (net of tax of $30 million).
(c) Includes impairment and other charges related to the Edwardsport IGCC project of $17 million for the three months ended December 31, 2012 (net of tax of $11 million), and $402 million for the year ended December 31, 2012 (net of tax of $226 million).
(d) Includes a gain from asset sales of $65 million for the three months ended December 31, 2013 (net of tax of $40 million).
(e) Includes costs to achieve the Progress Energy merger of $45 million for the three months ended December 31, 2013 (net of tax of $27 million), and $184 million for the year ended December 31, 2013 (net of tax of $113 million).
(f) Includes costs to achieve the Progress Energy merger of $91 million for the three months ended December 31, 2012 (net of tax of $73 million), and $397 million for the year ended December 31, 2012 (net of tax of $239 million).

**December 2013**
**QUARTERLY HIGHLIGHTS**
**(Unaudited)**

| *(In millions, except where noted)* | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Years Ended December 31, 2013 | Years Ended December 31, 2012 |
|---|---|---|---|---|
| **REGULATED UTILITIES** | | | | |
| Operating Revenues[a] | $ 5,144 | $ 4,873 | $ 20,910 | $ 16,080 |
| Operating Expenses[b][c][d] | 3,990 | 4,029 | 16,126 | 12,943 |
| Gains on Sales of Other Assets, net | 1 | 2 | 7 | 15 |
| Operating Income | 1,155 | 846 | 4,791 | 3,152 |
| Other Income and Expenses | 55 | 114 | 221 | 341 |
| Interest Expense | 273 | 260 | 986 | 806 |
| Income Before Income Taxes | 937 | 700 | 4,026 | 2,687 |
| Income Tax Expense[e][f][g] | 365 | 218 | 1,522 | 941 |
| Less: Income Attributable to Noncontrolling Interests | - | 1 | - | 2 |
| Segment Income | $ 572 | $ 481 | $ 2,504 | $ 1,744 |
| Depreciation and Amortization | $ 628 | $ 552 | $ 2,323 | $ 1,827 |
| Duke Energy Carolinas GWh sales | 20,407 | 19,224 | 85,790 | 81,362 |
| Duke Energy Progress GWh sales | 14,443 | 14,425 | 60,204 | 58,390 |
| Duke Energy Florida's GWh sales | 8,842 | 8,629 | 37,974 | 38,443 |
| Duke Energy Ohio GWh sales | 5,990 | 5,744 | 24,557 | 24,344 |
| Duke Energy Indiana GWh sales | 8,526 | 7,893 | 33,715 | 33,577 |
| Total GWh sales | 58,208 | 55,915 | 242,240 | 236,116 |
| Net Proportional MW Capacity in Operation | | | 49,607 | 49,654 |
| **INTERNATIONAL ENERGY** | | | | |
| Operating Revenues | $ 378 | $ 368 | $ 1,546 | $ 1,549 |
| Operating Expenses | 235 | 275 | 1,000 | 1,043 |
| Gains on Sales of Other Assets, net | 3 | - | 3 | - |
| Operating Income | 146 | 93 | 549 | 506 |
| Other Income and Expenses | 30 | 35 | 125 | 171 |
| Interest Expense | 26 | 16 | 86 | 76 |
| Income Before Income Taxes | 150 | 112 | 588 | 601 |
| Income Tax Expense | 38 | 20 | 166 | 149 |
| Less: Income Attributable to Noncontrolling Interests | 4 | 3 | 14 | 13 |
| Segment Income | $ 108 | $ 89 | $ 408 | $ 439 |
| Depreciation and Amortization | $ 25 | $ 25 | $ 100 | $ 99 |
| Sales, GWh | 5,562 | 4,868 | 20,306 | 20,132 |
| Proportional MW Capacity in Operation | | | 4,600 | 4,584 |
| **COMMERCIAL POWER** | | | | |
| Operating Revenues | $ 586 | $ 471 | $ 2,145 | $ 2,078 |
| Operating Expenses | 623 | 469 | 2,178 | 1,981 |
| (Losses) Gains on Sales of Other Assets, net | (24) | (3) | (23) | 8 |
| Operating (Loss) Income | (61) | (1) | (56) | 105 |
| Other Income and Expenses | 4 | 13 | 13 | 39 |
| Interest Expense | 16 | 8 | 64 | 63 |
| (Loss) Income Before Income Taxes | (73) | 4 | (107) | 81 |
| Income Tax Benefit | (44) | (12) | (104) | (7) |
| Less: Income Attributable to Noncontrolling Interests | - | - | - | 1 |
| Segment (Loss) Income | $ (29) | $ 16 | $ (3) | $ 87 |
| Depreciation and Amortization | $ 62 | $ 56 | $ 250 | $ 228 |
| Actual Coal-fired Plant Production, GWh | 4,737 | 3,743 | 18,467 | 16,164 |
| Actual Gas-fired Plant Production, GWh | 4,099 | 3,639 | 15,052 | 17,122 |
| Actual Renewable Plant Production, GWh | 1,350 | 1,053 | 5,111 | 3,452 |
| Actual Plant Production, GWh | 10,186 | 8,435 | 38,630 | 36,738 |
| Net Proportional MW Capacity in Operation | | | 7,915 | 8,094 |
| **OTHER** | | | | |
| Operating Revenues | $ 38 | $ 23 | $ 163 | $ 74 |
| Operating Expenses[h][i] | 75 | 190 | 461 | 704 |
| Losses on Sales of Other Assets, net | 1 | (4) | (3) | (7) |
| Operating Loss | (36) | (171) | (301) | (637) |
| Other Income and Expenses[j] | 124 | 2 | 131 | 16 |
| Interest Expense | 107 | 101 | 417 | 297 |
| Loss Before Income Taxes | (19) | (270) | (587) | (918) |
| Income Tax Benefit[k][l][m] | (50) | (86) | (323) | (378) |
| Less: Loss Attributable to Noncontrolling Interests | - | (2) | (3) | (2) |
| Segment Income (Net Expense) | $ 31 | $ (182) | $ (261) | $ (538) |
| Depreciation and Amortization | $ 31 | $ 36 | $ 135 | $ 135 |

(a) Includes pre-tax charges of $28 million for the three months and year ended December 31, 2012, related to the Edwardsport IGCC project.
(b) Includes pre-tax impairment and other charges of $600 million for the year ended December 31, 2012, related to the Edwardsport IGCC project.
(c) Includes pre-tax impairment and other charges of $57 million for the three months ended December 31, 2013, and $352 million for the year ended December 31, 2013, related to the Crystal River Unit 3 Nuclear Station.
(d) Includes pre-tax impairment charges of $87 million for the year ended December 31, 2013, related to nuclear development costs.
(e) Includes a tax benefit of $226 million for year ended December 31, 2012, on the impairment and other charges related to the Edwardsport IGCC project.
(f) Includes a tax benefit of $22 million for the three months ended December 31, 2013, and $137 million for the year ended December 31, 2013, on the impairment and other charges related to the Crystal River Unit 3 Nuclear Station.
(g) Includes a tax benefit of $30 million for the year ended December 31, 2013, on the impairment related to nuclear development costs.
(h) Includes costs to achieve the Progress Energy merger of $77 million recorded in Operating Expense for the three months ended December 31, 2013, and $352 million recorded in Operating Expense for the year ended December 31, 2013.
(i) Includes costs to achieve the Progress Energy merger of $166 million recorded in Operating Expense for the three months ended December 31, 2012, and $628 million recorded in Operating Expense for the year ended December 31, 2012.
(j) Includes a gain from asset sales of $105 million for the three months and year ended December 31, 2013.
(k) Includes a tax benefit of $27 million for the three months ended December 31, 2013, and $113 million for the year ended December 31, 2013, on costs to achieve the Progress Energy merger.
(l) Includes a tax benefit of $73 million for the three months ended December 31, 2012, and $239 million for the year ended December 31, 2012, on costs to achieve the Progress Energy merger.
(m) Includes tax expense of $40 million for the three months and year ended December 31, 2013, on a gain from asset sales.

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

| | Years Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| **Operating Revenues** | | | |
| Regulated electric | $ 20,439 | $ 15,621 | $ 10,589 |
| Nonregulated electric, natural gas, and other | 3,648 | 3,534 | 3,383 |
| Regulated natural gas | 511 | 469 | 557 |
| Total operating revenues | 24,598 | 19,624 | 14,529 |
| **Operating Expenses** | | | |
| Fuel used in electric generation and purchased power - regulated | 7,108 | 5,582 | 3,309 |
| Fuel used in electric generation and purchased power - nonregulated | 1,822 | 1,722 | 1,488 |
| Cost of natural gas and coal sold | 254 | 264 | 348 |
| Operation, maintenance and other | 5,910 | 5,006 | 3,770 |
| Depreciation and amortization | 2,808 | 2,289 | 1,806 |
| Property and other taxes | 1,299 | 985 | 704 |
| Impairment charges | 399 | 666 | 335 |
| Total operating expenses | 19,600 | 16,514 | 11,760 |
| **(Losses) Gains on Sales of Other Assets and Other, net** | (16) | 16 | 8 |
| **Operating Income** | 4,982 | 3,126 | 2,777 |
| **Other Income and Expenses** | | | |
| Equity in earnings of unconsolidated affiliates | 122 | 148 | 160 |
| Gains on sales of unconsolidated affiliates | 100 | 22 | 11 |
| Other income and expenses, net | 262 | 397 | 376 |
| Total other income and expenses | 484 | 567 | 547 |
| **Interest Expense** | 1,546 | 1,242 | 859 |
| **Income From Continuing Operations Before Income Taxes** | 3,920 | 2,451 | 2,465 |
| **Income Tax Expense from Continuing Operations** | 1,261 | 705 | 752 |
| **Income From Continuing Operations** | 2,659 | 1,746 | 1,713 |
| **Income From Discontinued Operations, net of tax** | 17 | 36 | 1 |
| **Net Income** | 2,676 | 1,782 | 1,714 |
| **Less: Net Income Attributable to Noncontrolling Interests** | 11 | 14 | 8 |
| **Net Income Attributable to Duke Energy Corporation** | $ 2,665 | $ 1,768 | $ 1,706 |

| | | | |
|---|---|---|---|
| **Earnings Per Share - Basic and Diluted** | | | |
| Income from continuing operations attributable to Duke Energy Corporation common shareholders | | | |
| Basic | $ 3.74 | $ 3.01 | $ 3.83 |
| Diluted | $ 3.74 | $ 3.01 | $ 3.83 |
| Income from discontinued operations attributable to Duke Energy Corporation common shareholders | | | |
| Basic | $ 0.03 | $ 0.06 | $ - |
| Diluted | $ 0.02 | $ 0.06 | $ - |
| Net Income attributable to Duke Energy Corporation common shareholders | | | |
| Basic | $ 3.77 | $ 3.07 | $ 3.83 |
| Diluted | $ 3.76 | $ 3.07 | $ 3.83 |
| Weighted-average shares outstanding | | | |
| Basic | 706 | 574 | 444 |
| Diluted | 706 | 575 | 444 |

DUKE ENERGY CORPORATION
**CONSOLIDATED BALANCE SHEETS**
**(Unaudited)**
**(In millions)**

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 1,501 | $ 1,424 |
| Short-term investments | 44 | 333 |
| Receivables (net of allowance for doubtful accounts of $30 at December 31, 2013 and $34 at December 31, 2012) | 1,286 | 1,516 |
| Restricted receivables of variable interest entities (net of allowance for doubtful accounts of $43 at December 31, 2013 and $44 at December 31, 2012) | 1,719 | 1,201 |
| Inventory | 3,250 | 3,223 |
| Regulatory assets | 895 | 737 |
| Other | 1,821 | 1,688 |
| Total current assets | 10,516 | 10,122 |
| **Investments and Other Assets** | | |
| Investments in equity method unconsolidated affiliates | 390 | 483 |
| Nuclear decommissioning trust funds | 5,132 | 4,242 |
| Goodwill | 16,340 | 16,365 |
| Other | 3,539 | 2,904 |
| Total investments and other assets | 25,401 | 23,994 |
| **Property, Plant and Equipment** | | |
| Cost | 103,115 | 100,391 |
| Accumulated depreciation and amortization | (33,625) | (31,969) |
| Generation facilities to be retired, net | - | 136 |
| Net property, plant and equipment | 69,490 | 68,558 |
| **Regulatory Assets and Deferred Debits** | | |
| Regulatory assets | 9,191 | 11,004 |
| Other | 181 | 178 |
| Total regulatory assets and deferred debits | 9,372 | 11,182 |
| **Total Assets** | $ 114,779 | $ 113,856 |
| **LIABILITIES AND EQUITY** | | |
| **Current Liabilities** | | |
| Accounts payable | $ 2,391 | $ 2,444 |
| Notes payable and commercial paper | 839 | 1,057 |
| Taxes accrued | 551 | 459 |
| Interest accrued | 440 | 448 |
| Current maturities of long-term debt | 2,104 | 3,110 |
| Regulatory liabilities | 316 | 156 |
| Other | 2,003 | 2,355 |
| Total current liabilities | 8,644 | 10,029 |
| **Long-term Debt** | 38,152 | 36,351 |
| **Deferred Credits and Other Liabilities** | | |
| Deferred income taxes | 12,097 | 10,490 |
| Investment tax credits | 442 | 458 |
| Accrued pension and other post-retirement benefit costs | 1,322 | 2,520 |
| Asset retirement obligations | 4,950 | 5,169 |
| Regulatory liabilities | 5,949 | 5,584 |
| Other | 1,815 | 2,221 |
| Total deferred credits and other liabilities | 26,575 | 26,442 |
| **Commitments and Contingencies** | | |
| **Preferred Stock of Subsidiaries** | - | 93 |
| **Equity** | | |
| Common stock, $0.001 par value, 2 billion shares authorized; 706 million and 704 million shares outstanding at December 31, 2013 and December 31, 2012, respectively | 1 | 1 |
| Additional paid-in capital | 39,365 | 39,279 |
| Retained earnings | 2,363 | 1,889 |
| Accumulated other comprehensive loss | (399) | (306) |
| Total Duke Energy Corporation shareholders' equity | 41,330 | 40,863 |
| Noncontrolling interests | 78 | 78 |
| Total equity | 41,408 | 40,941 |
| **Total Liabilities and Equity** | $ 114,779 | $ 113,856 |

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

| | Years Ended December 31, | |
|---|---|---|
| | **2013** | **2012** |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income | $ 2,676 | $ 1,782 |
| Adjustments to reconcile net income to net cash provided by operating activities: | 3,692 | 3,462 |
| Net cash provided by operating activities | 6,368 | 5,244 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Net cash used in investing activities | (4,964) | (6,197) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Net cash (used in) provided by financing activities | (1,327) | 267 |
| Net increase (decrease) in cash and cash equivalents | 77 | (686) |
| **Cash and cash equivalents at beginning of period** | 1,424 | 2,110 |
| **Cash and cash equivalents at end of period** | $ 1,501 | $ 1,424 |

**Regulated Utilities**
**Quarterly Highlights**
**Supplemental Regulated Utilities Information**
**December 2013**

| | Three Months Ended December 31, | | | | Years Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | % Inc. (Dec.) | % Inc.(Dec.) Weather Normal (2) | 2013 | 2012 | % Inc. (Dec.) | % Inc.(Dec.) Weather Normal (2) |
| **GWH Sales (1)** | | | | | | | | |
| Residential | 18,597 | 17,551 | 6.0% | 0.7% | 80,593 | 78,651 | 2.5% | 0.3% |
| General Service | 18,350 | 17,695 | 3.7% | 1.2% | 75,513 | 75,172 | 0.5% | 0.8% |
| Industrial | 12,590 | 12,440 | 1.2% | 0.5% | 51,056 | 50,819 | 0.5% | 0.9% |
| Other Energy Sales | 152 | 151 | 0.7% | - | 603 | 603 | 0.0% | - |
| Unbilled Sales | 33 | 346 | (90.5%) | N/A | (275) | 887 | (131.0%) | N/A |
| Total Retail Sales | 49,722 | 48,183 | 3.2% | 0.9% | 207,490 | 206,132 | 0.7% | 0.6% |
| Special Sales (3) | 8,486 | 7,732 | 9.8% | | 34,750 | 29,984 | 15.9% | |
| Total Consolidated Electric Sales - Regulated Utilities | 58,208 | 55,915 | 4.1% | | 242,240 | 236,116 | 2.6% | |
| **Average Number of Customers** | | | | | | | | |
| Residential | 6,246,247 | 6,179,598 | 1.1% | | 6,217,351 | 6,165,623 | 0.8% | |
| General Service | 939,601 | 931,847 | 0.8% | | 936,529 | 929,470 | 0.8% | |
| Industrial | 18,433 | 18,759 | (1.7%) | | 18,572 | 18,867 | (1.6%) | |
| Other Energy Sales | 22,371 | 22,106 | 1.2% | | 22,206 | 22,070 | 0.6% | |
| Total Regular Sales | 7,226,652 | 7,152,310 | 1.0% | | 7,194,658 | 7,136,030 | 0.8% | |
| Special Sales | 59 | 64 | (7.8%) | | 60 | 67 | (10.4%) | |
| Total Average Number of Customers - Regulated Utilities | 7,226,711 | 7,152,374 | 1.0% | | 7,194,718 | 7,136,097 | 0.8% | |
| **Heating and Cooling Degree Days** | | | | | | | | |
| **Carolinas - Actual** | | | | | | | | |
| Heating Degree Days | 1,214 | 1,161 | 4.6% | | 3,282 | 2,601 | 26.2% | |
| Cooling Degree Days | 66 | 42 | 57.1% | | 1,403 | 1,727 | (18.8%) | |
| Variance from Normal | | | | | | | | |
| Heating Degree Days | (1.0%) | (4.3%) | n/a | | 4.0% | (17.8%) | n/a | |
| Cooling Degree Days | 17.9% | (28.5%) | n/a | | (16.1%) | 2.4% | n/a | |
| **Midwest - Actual** | | | | | | | | |
| Heating Degree Days | 1,571 | 1,355 | 15.9% | | 4,129 | 3,122 | 32.3% | |
| Cooling Degree Days | 25 | 5 | 400.0% | | 1,079 | 1,437 | (24.9%) | |
| Variance from Normal | | | | | | | | |
| Heating Degree Days | 13.2% | (2.2%) | n/a | | 9.1% | (18.0%) | n/a | |
| Cooling Degree Days | 8.7% | (77.3%) | n/a | | (8.0%) | 26.0% | n/a | |
| **Florida - Actual** | | | | | | | | |
| Heating Degree Days | 85 | 156 | (45.5%) | | 368 | 367 | 0.3% | |
| Cooling Degree Days | 564 | 420 | 34.3% | | 3,141 | 3,110 | 1.0% | |
| Variance from Normal | | | | | | | | |
| Heating Degree Days | (49.7%) | (7.3%) | n/a | | (21.3%) | (21.5%) | n/a | |
| Cooling Degree Days | 27.9% | (4.8%) | n/a | | 4.7% | 3.7% | n/a | |

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Fourth quarter 2013 and year-to-date 2013 include 100 GWH and 1,685 GWH, respectively, of sales associated with the FERC mitigation contracts, for which the financial results are excluded from the Regulated Utilties segment earnings. Fourth quarter 2012 and year-to-date 2012 include 103 GWH and 998 GWH of sales associated with the FERC mitigation contracts, for which the financial results are excluded from the Regulated Utilities segment earnings.

**Duke Energy Carolinas**
**Quarterly Highlights**
**Supplemental Regulated Utilities Information**
**December 2013**

| | Three Months Ended December 31, | | | | Years Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | % Inc.(Dec.) | % Inc.(Dec.) Weather Normal (2) | 2013 | 2012 | % Inc.(Dec.) | % Inc.(Dec.) Weather Normal (2) |
| **GWH Sales (1)** | | | | | | | | |
| Residential | 6,021 | 5,745 | 4.8% | | 26,895 | 26,279 | 2.3% | |
| General Service | 6,649 | 6,419 | 3.6% | | 27,764 | 27,476 | 1.0% | |
| Industrial | 5,204 | 5,079 | 2.5% | | 21,070 | 20,978 | 0.4% | |
| Other Energy Sales | 74 | 73 | 1.4% | | 293 | 290 | 1.0% | |
| Unbilled Sales | 358 | 242 | 47.9% | | (154) | 209 | (173.7%) | |
| Total Regular Electric Sales | 18,306 | 17,558 | 4.3% | 2.7% | 75,868 | 75,232 | 0.8% | 1.1% |
| Special Sales (3) | 2,101 | 1,666 | 26.1% | | 9,922 | 6,130 | 61.9% | |
| Total Consolidated Electric Sales - Duke Energy Carolinas | 20,407 | 19,224 | 6.2% | | 85,790 | 81,362 | 5.4% | |
| **Average Number of Customers** | | | | | | | | |
| Residential | 2,076,363 | 2,056,785 | 1.0% | | 2,068,329 | 2,052,799 | 0.8% | |
| General Service | 340,283 | 337,316 | 0.9% | | 339,109 | 336,756 | 0.7% | |
| Industrial | 6,551 | 6,679 | (1.9%) | | 6,600 | 6,749 | (2.2%) | |
| Other Energy Sales | 14,480 | 14,363 | 0.8% | | 14,403 | 14,342 | 0.4% | |
| Total Regular Sales | 2,437,677 | 2,415,143 | 0.9% | | 2,428,441 | 2,410,646 | 0.7% | |
| Special Sales | 22 | 21 | 4.8% | | 23 | 23 | 0.0% | |
| Total Average Number of Customers - Duke Energy Carolinas | 2,437,699 | 2,415,164 | 0.9% | | 2,428,464 | 2,410,669 | 0.7% | |
| **Heating and Cooling Degree Days** | | | | | | | | |
| **Actual** | | | | | | | | |
| Heating Degree Days | 1,260 | 1,206 | 4.5% | | 3,378 | 2,694 | 25.4% | |
| Cooling Degree Days | 51 | 24 | 112.5% | | 1,305 | 1,568 | (16.8%) | |
| **Variance from Normal** | | | | | | | | |
| Heating Degree Days | 0.2% | (3.5%) | n/a | | 4.6% | (16.5%) | n/a | |
| Cooling Degree Days | 18.9% | (44.7%) | n/a | | (18.0%) | 1.3% | n/a | |

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Fourth quarter 2013 and year-to-date 2013 include 100 GWH and 781 GWH, respectively, of sales associated with the FERC mitigation contracts, for which the financial results are excluded from the Regulated Utility segment earnings. Fourth quarter 2012 and year-to-date 2012 include 103 GWH and 421 GWH of sales associated with the FERC mitigation contracts, for which the financial results are excluded from the Regulated Utility segment earnings.

**Duke Energy Progress**
**Quarterly Highlights**
**Supplemental Regulated Utilities Information**
**December 2013**

| | Three Months Ended December 31, | | | | Years Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | % Inc.(Dec.) | % Inc.(Dec.) Weather Normal (2) | 2013 | 2012 | % Inc.(Dec.) | % Inc.(Dec.) Weather Normal (2) |
| **GWH Sales** | | | | | | | | |
| Residential | 3,948 | 3,748 | 5.3% | | 17,323 | 16,663 | 4.0% | |
| General Service | 3,628 | 3,497 | 3.7% | | 15,066 | 15,062 | 0.0% | |
| Industrial | 2,538 | 2,624 | (3.3%) | | 10,624 | 10,508 | 1.1% | |
| Other Energy Sales | 30 | 31 | (3.2%) | | 120 | 122 | (1.6%) | |
| Unbilled Sales | 93 | 372 | (75.0%) | | (12) | 165 | 107.3% | |
| Total Regular Electric Sales | 10,237 | 10,272 | (0.3%) | (0.7%) | 43,121 | 42,520 | 1.4% | 1.0% |
| Special Sales (1) | 4,206 | 4,153 | 1.3% | | 17,083 | 15,870 | 7.6% | |
| Total Consolidated Electric Sales - Duke Energy Progress | 14,443 | 14,425 | 0.1% | | 60,204 | 58,390 | 3.1% | |
| **Average Number of Customers** | | | | | | | | |
| Residential | 1,247,807 | 1,234,321 | 1.1% | | 1,242,328 | 1,231,065 | 0.9% | |
| General Service | 222,146 | 220,156 | 0.9% | | 221,553 | 219,477 | 0.9% | |
| Industrial | 4,318 | 4,420 | (2.3%) | | 4,357 | 4,431 | (1.7%) | |
| Other Energy Sales | 1,778 | 1,811 | (1.8%) | | 1,801 | 1,836 | (1.9%) | |
| Total Regular Sales | 1,476,049 | 1,460,708 | 1.1% | | 1,470,039 | 1,456,809 | 0.9% | |
| Special Sales | 15 | 15 | 0.0% | | 15 | 18 | (16.7%) | |
| Total Average Number of Customers - Duke Energy Progress | 1,476,064 | 1,460,723 | 1.1% | | 1,470,054 | 1,456,827 | 0.9% | |
| **Heating and Cooling Degree Days** | | | | | | | | |
| **Actual** | | | | | | | | |
| Heating Degree Days | 1,169 | 1,116 | 4.7% | | 3,187 | 2,508 | 27.1% | |
| Cooling Degree Days | 81 | 60 | 35.0% | | 1,502 | 1,887 | (20.4%) | |
| **Variance from Normal** | | | | | | | | |
| Heating Degree Days | (2.2%) | (5.0%) | n/a | | 3.3% | (19.1%) | n/a | |
| Cooling Degree Days | 17.4% | (18.9%) | n/a | | (14.3%) | 3.3% | n/a | |

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Year-to-date 2013 includes 904 GWH of sales associated with the FERC mitigation contracts, for which the financial results are excluded from the Regulated Utility segment earnings. Year-to-date 2012 includes 577 GWH of sales associated with the FERC mitigation contracts, for which the financial results are excluded from the Regulated Utility segment earnings.

**Duke Energy Florida**
**Quarterly Highlights**
**Supplemental Regulated Utilities Information**
**December 2013**

| | Three Months Ended December 31, | | | | Years Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | % Inc.(Dec.) | % Inc.(Dec.) Weather Normal (2) | 2013 | 2012 | % Inc.(Dec.) | % Inc.(Dec.) Weather Normal (2) |
| **GWH Sales (1)** | | | | | | | | |
| Residential | 4,560 | 4,309 | 5.8% | | 18,508 | 18,251 | 1.4% | |
| General Service | 3,767 | 3,661 | 2.9% | | 14,877 | 14,945 | (0.5%) | |
| Industrial | 797 | 776 | 2.7% | | 3,206 | 3,160 | 1.5% | |
| Other Energy Sales | 7 | 6 | 16.7% | | 25 | 25 | 0.0% | |
| Unbilled Sales | (644) | (506) | 27.3% | | (161) | 299 | (153.8%) | |
| Total Regular Sales | 8,487 | 8,246 | 2.9% | (0.1%) | 36,455 | 36,680 | (0.6%) | (0.8%) |
| Special Sales **(3)** | 355 | 383 | (7.3%) | | 1,519 | 1,763 | (13.8%) | |
| Total Electric Sales - Duke Energy Florida | 8,842 | 8,629 | 2.5% | | 37,974 | 38,443 | (1.2%) | |
| **Average Number of Customers** | | | | | | | | |
| Residential | 1,491,494 | 1,467,235 | 1.7% | | 1,480,993 | 1,464,154 | 1.2% | |
| General Service | 190,531 | 188,266 | 1.2% | | 189,424 | 187,445 | 1.1% | |
| Industrial | 2,318 | 2,366 | (2.0%) | | 2,342 | 2,371 | -1.2% | |
| Other Energy Sales | 1,559 | 1,575 | (1.0%) | | 1,564 | 1,561 | 0.2% | |
| Total Regular Sales | 1,685,902 | 1,659,442 | 1.6% | | 1,674,323 | 1,655,531 | 1.1% | |
| Special Sales | 15 | 18 | (16.7%) | | 15 | 15 | 0.0% | |
| Total Average Number of Customers - Duke Energy Florida | 1,685,917 | 1,659,460 | 1.6% | | 1,674,338 | 1,655,546 | 1.1% | |
| **Heating and Cooling Degree Days** | | | | | | | | |
| **Actual** | | | | | | | | |
| Heating Degree Days | 85 | 156 | (45.5%) | | 368 | 367 | 0.3% | |
| Cooling Degree Days | 564 | 420 | 34.3% | | 3,141 | 3,110 | 1.0% | |
| **Variance from Normal** | | | | | | | | |
| Heating Degree Days | (49.7%) | (7.3%) | n/a | | (21.3%) | (21.5%) | n/a | |
| Cooling Degree Days | 27.9% | (4.8%) | n/a | | 4.7% | 3.7% | n/a | |

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Includes both billed and unbilled.

**Duke Energy Ohio**
**Quarterly Highlights**
**Supplemental Regulated Utilities Information**
**December 2013**

| | Three Months Ended December 31, | | | | Years Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | % Inc.(Dec.) | % Inc. (Dec.) Weather Normal (2) | 2013 | 2012 | % Inc.(Dec.) | % Inc. (Dec.) Weather Normal (2) |
| **GWH Sales (1)** | | | | | | | | |
| Residential | 1,958 | 1,821 | 7.5% | | 8,719 | 8,591 | 1.5% | |
| General Service | 2,281 | 2,187 | 4.3% | | 9,447 | 9,375 | 0.8% | |
| Industrial | 1,455 | 1,421 | 2.4% | | 5,771 | 5,761 | 0.2% | |
| Other Energy Sales | 28 | 28 | 0.0% | | 112 | 113 | (0.9%) | |
| Unbilled Sales | 76 | 98 | (22.4%) | | (6) | 79 | (107.6%) | |
| Total Regular Electric Sales | 5,798 | 5,555 | 4.4% | 0.4% | 24,043 | 23,919 | 0.5% | 0.5% |
| Special Sales | 192 | 189 | 1.6% | | 514 | 425 | 20.9% | |
| Total Electric Sales - Duke Energy Ohio | 5,990 | 5,744 | 4.3% | | 24,557 | 24,344 | 0.9% | |
| **Average Number of Customers** | | | | | | | | |
| Residential | 739,369 | 735,557 | 0.5% | | 737,399 | 734,270 | 0.4% | |
| General Service | 86,327 | 85,938 | 0.5% | | 86,188 | 85,672 | 0.6% | |
| Industrial | 2,531 | 2,571 | (1.6%) | | 2,547 | 2,582 | (1.4%) | |
| Other Energy | 3,066 | 2,916 | 5.1% | | 2,965 | 2,898 | 2.3% | |
| Total Regular Sales | 831,293 | 826,982 | 0.5% | | 829,099 | 825,422 | 0.4% | |
| Special Sales | 1 | 1 | 0.0% | | 1 | 1 | 0.0% | |
| Total Average Number of Electric Customers - Duke Energy Ohio | 831,294 | 826,983 | 0.5% | | 829,100 | 825,423 | 0.4% | |
| **Heating and Cooling Degree Days** | | | | | | | | |
| **Actual** | | | | | | | | |
| Heating Degree Days | 1,441 | 1,284 | 12.2% | | 3,843 | 3,002 | 28.0% | |
| Cooling Degree Days | 25 | 5 | 400.0% | | 1,073 | 1,389 | (22.8%) | |
| **Variance from Normal** | | | | | | | | |
| Heating Degree Days | 7.9% | (3.7%) | n/a | | 5.7% | (17.9%) | n/a | |
| Cooling Degree Days | 13.6% | (77.3%) | n/a | | (8.7%) | 21.2% | n/a | |

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

**Duke Energy Ohio**
**Quarterly Highlights**
**Supplemental Regulated Utilities Information**
**December 2013**

| | Three Months Ended December 31, | | | | Years Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | % Inc.(Dec.) | % Inc. (Dec.) Weather Normal (2) | 2013 | 2012 | % Inc.(Dec.) | % Inc. (Dec.) Weather Normal (2) |
| **MCF Sales (1)** | | | | | | | | |
| Residential | 9,359,700 | 8,316,121 | 12.5% | | 37,840,736 | 30,481,386 | 24.1% | |
| General Service | 5,873,264 | 5,354,180 | 9.7% | | 23,329,465 | 19,365,863 | 20.5% | |
| Industrial | 1,677,360 | 1,397,562 | 20.0% | | 6,311,201 | 5,125,512 | 23.1% | |
| Other Energy Sales | 5,897,994 | 5,552,991 | 6.2% | | 21,496,630 | 21,744,410 | (1.1%) | |
| Unbilled Sales | 4,864,000 | 4,611,000 | 5.5% | | 136,000 | 970,000 | (86.0%) | |
| Total Gas Sales - Duke Energy Ohio | 27,672,318 | 25,231,854 | 9.7% | 0.2% | 89,114,032 | 77,687,171 | 14.7% | 1.4% |
| **Average Number of Customers** | | | | | | | | |
| Residential | 471,390 | 468,878 | 0.5% | | 469,887 | 468,572 | 0.3% | |
| General Service | 43,502 | 43,691 | (0.4%) | | 43,351 | 43,517 | (0.4%) | |
| Industrial | 1,643 | 1,658 | (0.9%) | | 1,635 | 1,659 | (1.4%) | |
| Other Energy | 162 | 167 | (3.0%) | | 165 | 170 | (2.9%) | |
| Total Average Number of Gas Customers - Duke Energy Ohio | 516,697 | 514,394 | 0.4% | | 515,038 | 513,918 | 0.2% | |
| **Heating and Cooling Degree Days** | | | | | | | | |
| **Actual** | | | | | | | | |
| Heating Degree Days | 1,441 | 1,284 | 12.2% | | 3,843 | 3,002 | 28.0% | |
| Cooling Degree Days | 25 | 5 | 400.0% | | 1,073 | 1,389 | (22.8%) | |
| **Variance from Normal** | | | | | | | | |
| Heating Degree Days | 7.9% | (3.7%) | n/a | | 5.7% | (17.9%) | n/a | |
| Cooling Degree Days | 13.6% | (77.3%) | n/a | | -8.7% | 21.2% | n/a | |

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

**Duke Energy Indiana**
**Quarterly Highlights**
**Supplemental Regulated Utilities Information**
**December 2013**

| | Three Months Ended December 31, | | | | Years Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | % Inc.(Dec.) | % Inc. (Dec.) Weather Normal (2) | 2013 | 2012 | % Inc.(Dec.) | % Inc. (Dec.) Weather Normal (2) |
| **GWH Sales (1)** | | | | | | | | |
| Residential | 2,110 | 1,928 | 9.4% | | 9,148 | 8,867 | 3.2% | |
| General Service | 2,025 | 1,931 | 4.9% | | 8,359 | 8,314 | 0.5% | |
| Industrial | 2,596 | 2,540 | 2.2% | | 10,385 | 10,412 | (0.3%) | |
| Other Energy Sales | 13 | 13 | 0.0% | | 53 | 53 | 0.0% | |
| Unbilled Sales | 150 | 140 | 7.1% | | 58 | 135 | (57.0%) | |
| Total Regular Electric Sales | 6,894 | 6,552 | 5.2% | 0.0% | 28,003 | 27,781 | 0.8% | 0.4% |
| Special Sales | 1,632 | 1,341 | 21.7% | | 5,712 | 5,796 | (1.4%) | |
| Total Electric Sales - Duke Energy Indiana | 8,526 | 7,893 | 8.0% | | 33,715 | 33,577 | 0.4% | |
| **Average Number of Customers** | | | | | | | | |
| Residential | 691,214 | 685,700 | 0.8% | | 688,302 | 683,335 | 0.7% | |
| General Service | 100,314 | 100,171 | 0.1% | | 100,255 | 100,120 | 0.1% | |
| Industrial | 2,715 | 2,723 | (0.3%) | | 2,726 | 2,734 | (0.3%) | |
| Other Energy | 1,488 | 1,441 | 3.3% | | 1,473 | 1,433 | 2.8% | |
| Total Regular Sales | 795,731 | 790,035 | 0.7% | | 792,756 | 787,622 | 0.7% | |
| Special Sales | 6 | 9 | (33.3%) | | 6 | 10 | (40.0%) | |
| Total Average Number of Electric Customers - Duke Energy Indiana | 795,737 | 790,044 | 0.7% | | 792,762 | 787,632 | 0.7% | |
| **Heating and Cooling Degree Days** | | | | | | | | |
| **Actual** | | | | | | | | |
| Heating Degree Days | 1,702 | 1,426 | 19.4% | | 4,415 | 3,242 | 36.2% | |
| Cooling Degree Days | 25 | 5 | 400.0% | | 1,084 | 1,483 | (26.9%) | |
| **Variance from Normal** | | | | | | | | |
| Heating Degree Days | 18.2% | (1.0%) | n/a | | 12.3% | (18.1%) | n/a | |
| Cooling Degree Days | 4.2% | (78.3%) | n/a | | (7.4%) | 30.8% | n/a | |

(1) Except as indicated in footnote (2), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

## DUKE ENERGY CORPORATION
## ADJUSTED TO REPORTED EARNINGS RECONCILATION
## Three Months Ended December 31, 2013
## (Dollars in millions, except per-share amounts)

| | | Special Items | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Adjusted Earnings | Costs to Achieve, Progress Merger | Litigation Reserve | Crystal River Unit 3 Charges | Asset Sales | Economic Hedges (Mark-to-Market) * | Discontinued Operations | Total Adjustments | Reported Earnings |
| ***SEGMENT INCOME*** | | | | | | | | | |
| **Regulated Utilities** | $ 607 | $ — | $ — | $ (35) **A** | $ — | $ — | $ — | $ (35) | $ 572 |
| **International Energy** | 108 | — | — | — | — | — | — | — | 108 |
| **Commercial Power** | (3) | — | — | — | (15) **C** | (11) **B** | — | (26) | (29) |
| **Total Reportable Segment Income** | 712 | — | — | (35) | (15) | (11) | — | (61) | 651 |
| **Other** | (6) | (45) **D** | 17 **G** | — | 65 **E** | — | — | 37 | 31 |
| **Total Reportable Segment Income and Other Net Expense** | **706** | **(45)** | **17** | **(35)** | **50** | **(11)** | **—** | **(24)** | **682** |
| **Discontinued Operations** | — | — | — | — | — | — | 6 **F** | 6 | 6 |
| **Net Income (Loss) Attributable to Duke Energy Corporation** | **$ 706** | **$ (45)** | **$ 17** | **$ (35)** | **$ 50** | **$ (11)** | **$ 6** | **$ (18)** | **$ 688** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC*** | **$ 1.00** | **$ (0.06)** | **$ 0.02** | **$ (0.05)** | **$ 0.07** | **$ (0.02)** | **$ 0.01** | **$ (0.03)** | **$ 0.97** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED*** | **$ 1.00** | **$ (0.06)** | **$ 0.02** | **$ (0.05)** | **$ 0.07** | **$ (0.02)** | **$ 0.01** | **$ (0.03)** | **$ 0.97** |

**A** - Net of $22 million tax benefit. $8 million recorded as an decrease in Operating Revenues and $49 million recorded within Operating Expenses on the Consolidated Statement of Operations.

**B** - Net of $6 million tax benefit. $64 million gain recorded within Nonregulated electric, natural gas, and other (Operating Revenues) and $81 million loss recorded within Fuel used in electric generation and purchased power-nonregulated (Operating Expenses) on the Statements of Operations.

**C** - Net of $9 million tax benefit. Recorded in Gain (Loss) on Sales of Other Assets on the Consolidated Statement of Operations.

**D** - Net of $27 million tax benefit. $6 million recorded as an increase in Operating Revenues, $77 million recorded within Operating Expenses, and $1 million recorded within Interest Expense on the Consolidated Statements of Operations.

**E** - Net of $40 million tax expense. Recorded in Other Income and Expenses on the Consolidated Statement of Operations.

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

**G** - Net of $11 million tax expense. Recorded in Operations, maintenance and other (Operating Expenses) on the Consolidated Statement of Operations.

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

| | |
|---|---|
| **Basic** | **706** |
| **Diluted** | **706** |

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

## DUKE ENERGY CORPORATION
## ADJUSTED TO REPORTED EARNINGS RECONCILIATION
## Twelve Months Ended December 31, 2013
## (Dollars in millions, except per-share amounts)

| | | Special Items | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Adjusted Earnings | Costs to Achieve, Progress Merger | Nuclear Development Charges | Litigation Reserve | Crystal River Unit 3 Charges | Asset Sales | Economic Hedges (Mark-to-Market) * | Discontinued Operations | Total Adjustments | Reported Earnings |
| ***SEGMENT INCOME*** | | | | | | | | | | |
| **Regulated Utilities** | $ 2,776 | $ — | $ (57) **D** | $ — | $ (215) **F** | $ — | $ — | $ — | $ (272) | $ 2,504 |
| **International Energy** | 408 | — | — | — | — | — | — | — | — | 408 |
| **Commercial Power** | 15 | — | — | — | — | (15) **G** | (3) **B** | — | (18) | (3) |
| **Total Reportable Segment Income** | 3,199 | — | (57) | — | (215) | (15) | (3) | — | (290) | 2,909 |
| **Other** | (128) | (184) **A** | — | (14) **E** | — | 65 **H** | — | — | (133) | (261) |
| **Total Reportable Segment Income and Other Net Expense** | **3,071** | **(184)** | **(57)** | **(14)** | **(215)** | **50** | **(3)** | **—** | **(423)** | **2,648** |
| **Discontinued Operations** | — | — | — | — | — | — | — | 17 **C** | 17 | 17 |
| **Net Income (Loss) Attributable to Duke Energy Corporation** | **$ 3,071** | **$ (184)** | **$ (57)** | **$ (14)** | **$ (215)** | **$ 50** | **$ (3)** | **$ 17** | **$ (406)** | **$ 2,665** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC*** | **$ 4.35** | **$ (0.26)** | **$ (0.08)** | **$ (0.02)** | **$ (0.31)** | **$ 0.07** | **$ (0.01)** | **$ 0.03** | **$ (0.58)** | **$ 3.77** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED*** | **$ 4.35** | **$ (0.26)** | **$ (0.08)** | **$ (0.02)** | **$ (0.31)** | **$ 0.07** | **$ (0.01)** | **$ 0.02** | **$ (0.59)** | **$ 3.76** |

**A** - Net of $113 million tax benefit. $57 million recorded as an increase in Operating Revenues, $352 million recorded within Operating Expenses and $2 million recorded within Interest expense on the Consolidated Statements of Operations.

**B** - Net of $1 million tax benefit. $95 million gain recorded within Nonregulated electric, natural gas, and other (Operating Revenues) and $99 million loss recorded within Fuel used in electric generation and purchased power-nonregulated (Operating Expenses) on the Consolidated Statements of Operations.

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

**D** - Net of $30 million tax benefit. Recorded in Impairment charges (Operating Expenses) on the Consolidated Statements of Operations.

**E** - Net of $8 million tax benefit. Recorded in Operations, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

**F** - Net of $137 million tax benefit. $8 million recorded as an decrease in Operating Revenues and $344 million recorded within Operating Expenses on the Consolidated Statements of Operations.

**G** - Net of $9 million tax benefit. Recorded in Gain (Loss) on Sales of Other Assets on the Consolidated Statements of Operations.

**H** - Net of $40 million tax expense. Recorded in Other Income and Expenses on the Consolidated Statements of Operations.

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

| | |
|---|---|
| **Basic** | **706** |
| **Diluted** | **706** |

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

**DUKE ENERGY CORPORATION**
**ADJUSTED REPORTED EARNINGS RECONCILIATION**
**Three Months Ended December 31, 2012**
**(Dollars in millions, except per-share amounts)**

| | | Special Items | | | | | |
|---|---|---|---|---|---|---|---|
| | Adjusted Earnings | Costs to Achieve, Progress Merger | Edwardsport Charges | Economic Hedges (Mark-to-Market) * | Discontinued Operations | Total Adjustments | Reported Earnings |
| ***SEGMENT INCOME*** | | | | | | | |
| **Regulated Utilities** | $ 498 | $ — | $ (17) **D** | $ — | $ — | $ (17) | $ 481 |
| **International Energy** | 89 | — | — | — | — | — | 89 |
| **Commercial Power** | — | — | — | 16 **B** | — | 16 | 16 |
| **Total Reportable Segment Income** | 587 | — | (17) | 16 | — | (1) | 586 |
| **Other** | (91) | (91) **A** | — | — | — | (91) | (182) |
| **Total Reportable Segment Income and Other Net Expense** | **496** | **(91)** | **(17)** | **16** | **—** | **(92)** | **404** |
| **Discontinued Operations** | — | — | — | — | 31 **C** | 31 | 31 |
| **Net Income (Loss) Attributable to Duke Energy Corporation** | **$ 496** | **$ (91)** | **$ (17)** | **$ 16** | **$ 31** | **$ (61)** | **$ 435** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC*** | **$ 0.70** | **$ (0.13)** | **$ (0.02)** | **$ 0.02** | **$ 0.05** | **$ (0.08)** | **$ 0.62** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED*** | **$ 0.70** | **$ (0.13)** | **$ (0.02)** | **$ 0.02** | **$ 0.05** | **$ (0.08)** | **$ 0.62** |

**A** - Net of $73 million tax benefit. $3 million recorded as in increase in Operating Revenues, $166 million recorded in Operating Expenses and $1 million recorded in Interest Expense on the Consolidated Statements of Operations.

**B** - Net of $10 million tax expense. $27 million gain recorded in Nonregulated electric, natural gas and other (Operating Revenues) and $1 million loss recorded in Fuel used in electric generation and purchased power-nonregulated (Operating Expenses) on the Consolidated Statements of Operations.

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

**D** - Net of $11 million tax benefit. Recorded in Regulated Electric within Operating Revenues on the Consolidated Statements of Operations.

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

| | |
|---|---|
| **Basic** | **704** |
| **Diluted** | **705** |

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

## DUKE ENERGY CORPORATION
## ADJUSTED TO REPORTED EARNINGS RECONCILIATION
## Twelve Months Ended December 31, 2012
## (Dollars in millions, except per-share amounts)

| | | Special Items | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Adjusted Earnings | Costs to Achieve, Progress Merger | Voluntary Opportunity Plan Deferral | Edwardsport Charges | DNC Host Committee Support | Economic Hedges (Mark-to-Market) * | Discontinued Operations | Total Adjustments | Reported Earnings |
| ***SEGMENT INCOME*** | | | | | | | | | |
| **Regulated Utilities** | $ 2,086 | $ — | $ 60 **C** | $ (402) **E** | $ — | $ — | $ — | $ (342) | $ 1,744 |
| **International Energy** | 439 | — | — | — | — | — | — | — | 439 |
| **Commercial Power** | 93 | — | — | — | — | (6) **B** | — | (6) | 87 |
| **Total Reportable Segment Income** | 2,618 | — | 60 | (402) | — | (6) | — | (348) | 2,270 |
| **Other** | (135) | (397) **A** | — | — | (6) **F** | — | — | (403) | (538) |
| **Total Reportable Segment Income and Other Net Expense** | **2,483** | **(397)** | **60** | **(402)** | **(6)** | **(6)** | **—** | **(751)** | **1,732** |
| **Discontinued Operations** | — | — | — | — | — | — | 36 **D** | 36 | 36 |
| **Net Income (Loss) Attributable to Duke Energy Corporation** | **$ 2,483** | **$ (397)** | **$ 60** | **$ (402)** | **$ (6)** | **$ (6)** | **$ 36** | **$ (715)** | **$ 1,768** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC*** | **$ 4.33** | **$ (0.70)** | **$ 0.10** | **$ (0.70)** | **$ (0.01)** | **$ (0.01)** | **$ 0.06** | **$ (1.26)** | **$ 3.07** |
| ***EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED*** | **$ 4.32** | **$ (0.70)** | **$ 0.11** | **$ (0.70)** | **$ (0.01)** | **$ (0.01)** | **$ 0.06** | **$ (1.25)** | **$ 3.07** |

**A** - Net of $239 million tax benefit. $2 million recorded as in increase in Operating Revenues, $628 million recorded in Operating Expenses and $6 million recorded in Interest Expense on the Consolidated Statements of Operations.

**B** - Net of $3 million tax benefit. $6 million loss recorded in Nonregulated electric, natural gas and other (Operating Revenues) and $3 million loss recorded in Fuel used in electric generation and purchased power-nonregulated (Operating Expenses) on the Consolidated Statements of Operations.

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

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

**E** - Net of $226 million tax benefit. $28 million recorded in Regulated electric within Operating Revenues, $580 million recorded in impairment charges (Operating Expenses) and $20 million recorded in Operation, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

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

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

| | |
|---|---|
| **Basic** | **574** |
| **Diluted** | **575** |

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