Questions from Duke Energy's 2017 Annual Meeting of Shareholders
May 4, 2017

All questions are presented verbatim as submitted (with no edits to grammar, spelling or punctuation) both prior to and during the 2017 Annual Meeting of Shareholders. Duke Energy expressly disclaims an obligation to update its responses below.

Transcript of answers to questions addressed during the Annual Meeting of Shareholders by Chairman, President and Chief Executive Officer Lynn Good

Question #1

- **What measures are being taken annually to sustain and secure the pensions of all Duke Energy Retiree's regardless of the plan on which they retired under. Solvency and longevity is my main concern for this question. Thank You.**

Lynn Good:

Thanks for that question and I would love to begin by thanking our retirees for the extraordinary work that they have contributed to Duke Energy over the years.

We are where we are today because of the work and the diligence of the employees of Duke over many decades. And I understand the importance of the pension. This is the livelihood of our retirees and we take our responsibility around retiree benefits very seriously. Our pension plans are in very strong financial shape. They are funded above 100 percent and we continue to closely monitor the investments in the plan to reduce the amount of volatility and reduce the risk, frankly, to those investments as we go forward.

And so our work will continue in the years to come with retirees and benefits to manage those assets responsibly. We also produce a report every year on the retiree plans to give our retirees information about the assets and the plans themselves and hope that will be helpful to them as well.

Question #2

- **What has been the actual savings and costs of the Duke / Progress merger vs. the projections prior to the merger?**

Lynn Good:

The merger with Progress -- we're about to celebrate a five-year anniversary. It was in 2012 when we closed and so we've had five years of great experience. And I would strongly say that we have delivered great benefits for customers and investors from the Progress merger. And I look at the synergy savings that we've achieved from the merger. We originally projected $300 million to $400 million a year and we've exceeded $500 million a year. Those are efficiencies. That's doing our work collaboratively and delivering those benefits not only to investors but to our customers as well.

We have also delivered joint dispatch savings, which is a fancy word for fuel savings, by running our systems together. We committed to deliver almost $700 million of savings at the start of the

merger and exceeded that amount within a year (*Note: Duke Energy exceeded the cost target in 2016, a full year ahead of our original commitment*). In terms of cost, there were costs – integration costs, systems, those types of things. They ran about $300 million a year for the first four years and they were basically on plan and budget from the original construct of the merger. So the merger was a great success and I think Duke Energy is stronger today as a result of that merger and we look forward to continuing to deliver benefits to both customers and investors.

Question #3

- **The current coal ash cleanup plan includes capping in place toxic coal ash at 6 current sites. This not only puts the health of the residents of those communities at risk, but also increases the likelihood that Duke will be subject to ongoing litigation and financial penalties. Why isn't the company permanently solving these problems by excavating all coal ash sites and moving the coal ash to dry, lined storage away from our waterways?**

Lynn Good:

That's a very clear question about storage methods and I want to begin by saying Duke Energy is committed to safe, long-term storage of ash. It's an imperative for us that we do this well. And I would point to a couple of things that I think are really important here. We are hard at work, diligently, vigorously complying with rules at the federal level and at the state level that govern the way ash can be stored on a long-term basis.

The Environmental Protection Agency issued new rules just a couple of years ago that after careful study and analysis have established standards by which ash basins are to be closed as we move forward. And I think that it is important to point to that EPA rule because there are 700 basins around the U.S. and that rule will be the primary standard throughout the U.S. for safe, long-term storage of ash.

And there are a couple of key points. First of all, the EPA has concluded over and over again, and in this most recent rule, that ash is a non-hazardous substance. They have also concluded that storage of ash in place, with monitoring, is a safe method of storage. So it doesn't always have to be about excavation. Both methods, if done correctly, can result in safe storage. And I think it's important to recognize that excavation is not always warranted or wise.

If you think about it, picking up and moving ash – the impact to the environment from the emissions, impact to the community; the time that it is going to take, the locations you have to find to store the ash and the costs are all considerations that have to be front and center as we deal with this complex issue. So we've put together a plan, which we believe is a smart plan for the future energy of all the states in which we operate, which is a combination of storage in place with monitoring, as well as excavation. And our commitment in all events, as I started this conversation, is for long-term safe storage that protects the environment and protects our customers. It's imperative for Duke Energy.

We have been working with the neighbors around our basins for the last several years and at this point, we are working actively with those neighbors, consistent with the laws in North Carolina, to connect them to municipal water supplies or to filters to remove any uncertainty that they may have around water in their private wells.

I think what's really important here is there is increasing scientific evidence that the basins are not impacting the private wells. There was an independent study just last year by Duke University that made this very clear, and in fact, identified that many of the substances that are often spoken about in the private wells are naturally occurring in the soils of North Carolina. And so we are continuing our work with the neighbors, with the state around this important plan to put the municipal water lines in place, or the filters, and at the same time, as we spoke a moment ago, we're continuing our work around long-term storage in a manner that will be safe for our communities.

Question #4

- **Why should ratepayers pay the full cost of excavating coal ash across the state when Duke Energy has reaped the financial benefit of the failure to comply with state and federal laws for years? Ratepayers have also benefitted from cheaper energy as well, but is it appropriate to place the entire cleanup burden on ratepayers? Should not shareholders also bear at least some of the burden of these costs?**

Lynn Good:

I know cost recovery is a frequent question that we receive and it's top of mind and I'd like to start this question by making it very clear that any costs related to the Dan River spill, the repair, the cleanup of the river itself, the fines, the penalties, none of those costs will be borne by customers. We will not request recovery of any of those costs.

We are accountable for that spill and we've taken responsibility. Shareholders have borne the cost of Dan River, but I think we need to step back when we talk about the broader issue of long-term storage of ash. It is an issue of importance not only here in North Carolina but really around the U.S. I spoke a moment ago about the fact that there are 700 basins where ash has been stored over decades, in accordance with standards that existed in the '70s, and '80s, and '90s. And all of the companies like ours around the U.S. are really working on compliance with these new rules, the EPA rule around long-term storage.

And as we do that, we're incurring costs related to long-term, safe storage of the ash. And so how does that impact the price of electricity? I think that's really the question. And if you look at traditional rate making techniques, the way the price of electricity has been set, it includes the cost of building the power plants, operating power plants and closing them. It includes the cost of fuel and also waste products. And so this is a method that has been used over many decades. It's a transparent process under the review and oversight of the regulatory commission, and ash disposal and storage costs would be considered as part of that process.

Ultimately, the decision is the decision of the North Carolina and other state regulatory commissions, which we will request permission and they will review as part of a very open process that will occur over time. And our commitment is not only long-term safe storage, but keeping our eye on affordability and efficiency in a way that makes sense for customers because we understand the importance of affordable power.

Question #5

- **Duke is proposing 19 new gas plants across North Carolina and South Carolina territory, but in order to meet the goals of the Paris Climate Agreement, we need to rapidly decarbonize our electricity sector and limit methane pollution. Doesn't this unnecessary build out put the company at risk of stranding billions of dollars in capital assets?**

Lynn Good:

Making smart capital decisions is part of our job every day and certainly, decisions around investment in generation is something that we're very deliberate about and thoughtful about. We believe that natural gas is an essential part of a long-term, balanced solution for delivering reliable energy. The retirement of coal and the introduction of natural gas has been critical to our ability to lower carbon emissions by 30 percent. Natural gas is not only affordable, but it represents a carbon footprint that is half of coal.

And we've also introduced renewables as part of that balanced mix and see that increasing as we go forward. But finding the appropriate balance in the portfolio to maintain reliability is an important part of our strategy going forward and we will continue to focus in that way. We have recently identified a target reduction of 40 percent of carbon by 2030 from 2005 levels and a combination of renewables and natural gas will be part of that solution as well.

Question #6

- **Given the potential risks -- regulatory, legal and reputational -- presented by the company's coal plants and also its generation of coal ash residue, does the company have plans to eventually phase out its use of coal to generate power?**

Lynn Good:

Our journey or track record on modernization of generation, I believe, is very good and very clear. We have retired 40 units over the last several years and along with that have reduced our carbon emissions by 30 percent. As we look forward, I said a moment ago that we see a target reduction of 40 percent by 2030 and we will achieve that through further retirement of coal, introduction of natural gas and renewables. Our objective is to maintain affordability, reliability, and clean energy as we go forward. And so our work is never done, but we believe we're on a path that makes sense to achieve that balance for customers and for the environment.

Question #7

- **Why would you not issue reports on Climate change, coal use and lobbying? I had assumed we had invested in a responsible company. what are you hiding?**

Lynn Good:

We take our responsibility, governance responsibility, very seriously and with respect to the comment about climate change and coal ash use, I would answer by saying that we produce a very comprehensive Sustainability Report that was issued just a few weeks ago, and I would encourage investors, shareholders, to review that report closely. I think you'll find a lot of very

valuable information about the way we plan our resources, about our carbon emissions, about our waste and how we're managing that, our recycling programs, and really a variety of things that will address the questions that you have in this area.

On lobbying expenses, we have listened to shareholders over a number of years and have found that the primary concern that our investors have raised is around governance. What is our governance process, and how do we oversee important contributions from our PAC and other contributions? And so if you go to our website, you'll see expanded disclosure of that governance process and the way we're very intentional and deliberate about reviewing and approving those expenditures -- in a manner that I believe investors will find very useful and be proud of because we have a governance process that is very thoughtful in this area.

And so we take these matters seriously and have addressed them through those couple of items that I would point to.

Question #8 and #9

- **While I can't tell the race or ethnicity just from the proxy list, the names sound caucasian except for Saladrigas. I'm happy to see the names of two women. I would like to see more diversity on your board. Research has shown that companies with more diverse executive and Board teams tend to be more profitable. Thank you for including this opportunity for submitting questions.**

- **We've noticed that you've made great strides in your board composition over the recent past - do you anticipate any future changes?**

Lynn Good:

I agree with the questioner that diversity makes us better. I think about this complex world that we live in today and the issues that we struggle with here at Duke Energy. You need diverse points of view in order to get to the best answers in a complex world.

And if you look at our Board from a traditional definition of diversity -- race, ethnicity, and gender -- we're at 30 percent. We value that diversity and as we continue Board refreshments, we always keep an eye on diversity. But I would build on that by saying diversity of experience and background is also important -- regulatory background, environmental background, operating background, nuclear. All of those points of view and backgrounds are very helpful as we navigate the company and deal with our important strategy and the complexity of this business.

So as we go forward, today we had a retirement of Ann Gray. We do have a retirement age of 71 and that has provided a natural catalyst for board refreshment, which we will continue and are very deliberate and thoughtful about bringing members onto the Board in a way that continues to further the strategic success of the company.

Question #10

- **DUK does not have an independent board chair. What is the rationale for not following this best practice? How does the lack of an independent chair improve the board's ability to manage climate risk?**

Lynn Good:

We have a very strong and clear set of responsibilities for an independent lead director, and I would encourage investors to look at that role because the independent lead director role provides incredible independent oversight -- involved in the agenda setting, involved in the meetings, involved in really helping us navigate through complex issues. It's a close advisor to me and I've been blessed over the term that I've been the CEO of the company to have very strong lead independent directors. And I believe that role serves as the role of independence that investors are looking for.

On the matter of climate change or on the matter of new generation, or on the matter of renewables, or, really, portfolio transition, the topics are broad that the Board contributes to, and certainly the lead director has a role in all of those. And I think you would be pleased with the very clear and independent role that our board serves in those important decisions.

Question #11

- **What effect will power/forward have on stockholders equity?**

Lynn Good:

Power Forward/Carolinas is a part of our strategy to invest in the energy grid. And as we look at all of the transformation that's going on in our industry, having a strong energy grid makes sense in all events, not only for improving customer experience, but cyber and physical security, reliability, storm hardening and also enabling capacity for more renewables. And so almost every direction we look around the transformation that's occurring in our industry, we believe the energy grid infrastructure becomes an important part of our future.

We believe investment there can make sense for investors, but also deliver extraordinary benefits for our customers and create jobs for our communities in a way that will be a win-win for all the stakeholders that count on Duke Energy. And so we put forward a ten-year plan in the Carolinas, $13 billion of investment, the opportunity to drive 14,000 jobs across the state, with economic benefit of over $20 billion. And we believe this will not only position North Carolina to lead the way on infrastructure, but also deliver, as I said, great benefits to our customers and communities. So we're really excited about it. We think it's a foundational element to the strategic success of the company going forward.

Question #12

- **While shareholders appreciate that a virtual meeting expands the ability of Duke shareholders all over the world to participate, there is a great deal lost in the personal interaction of an in person gathering. Investors believe that engaging with, and speaking to, the Board and management provides a crucial human element that a virtual meeting can never replace. We firmly believe that a hybrid model, both virtual and in-person would be optimal. Would Duke consider this option for next year?**

Lynn Good:

I appreciate that question and we have received that question a number of times over the last couple of months as we've worked actively on this format.

We actually reached out to a number of our shareholders as part of our ongoing outreach to discuss the virtual format, to get their feedback so that it can inform us on how to structure this meeting today. And we believe it's going to be a consistent experience for those one million shareholders around the globe who have an opportunity to participate. We will take every question, which is actually an enhancement from the live meeting, and put that on our website following the meeting so that investors can see all of the questions and all of the answers.

The final point that I would say is this notion of engaging with management is something that's an ongoing process that occurs often, frequently, many times outside of the annual meeting. And we welcome the opportunity to engage with shareholders and will continue to do that -- both our institutional shareholders and our retail shareholders. Mike Callahan, head of Investor Relations, gets the chance to participate in so many of these opportunities and we'll continue to make that possible.

So following this meeting, we'll take feedback and we'll also look at how we have responded to these questions and feedback we get from shareholders and we'll continue to enhance the experience as we go forward.

Question #13

- **Why ask for shareholder input on executive compensation when there is no in put opportunity available or how can shareholders actually have input that is listened to? The courtesy of a reply is requested.**

Lynn Good:

I believe Duke's track record on listening to shareholders is very strong. If you look at proxy access, which was mentioned, you look at action by written consent, you look at holding a special meeting, these have been governance issues that shareholders have had a strong interest in at Duke. Following every annual meeting and every proxy season, our board takes those votes and considerations under advisement and takes action.

So I believe our track record around listening to shareholders is very good and you can expect that to continue. Following every proxy season, we review the results and make refinements about how we go forward. So you can expect that to occur again this year.

Question #14

- **What are your Dividend plans and policy growth going forward?**

Lynn Good:

The dividend is an important part of the value proposition to our shareholders and we recognize that. We pay a dividend at about 75 percent of our earnings and with a yield that is very attractive and we believe attractive in almost every financial season. And so our commitment is

to continue to grow that dividend. Our aspiration is to grow it at the same pace as our earnings growth, which is targeted at 4 to 6 percent.

So recognizing the importance of the dividend, our commitment is to continue moving forward in a way that our shareholders count on.

Answers to questions not addressed during the Annual Meeting of Shareholders

Question #15

- **When is management/officers going to consider an increase in retirement compensation?**

Answer:

At present, there are no plans to implement a cost of living increase for retirees under Duke Energy's pension plans.

Question #16

- **Are the retirees ever going to get a cola raise I have been retired 15 years no raise and prices and food have risen to the sky hard to live?**

Answer:

Please see response to question #15.

Question #17

- **Only 2 women on the list of Directors? (And I'm not even certain that Lynn is a woman; I hope so.)**

Answer:

Please see response to question #8.

Question #18

- **Why are there so few women on board of directors?**

Answer:

Please see response to question #8.

Question #19

- **The board's Lead Director Michael Browning is 70 years old. Director John Forsgren is also 70 years old. DUK's retirement age is 71 years. What is the board's plan for succession and refreshment? What steps will the board take to recruit new directors with climate risk management expertise?**

Answer:

The Corporate Governance Committee regularly assesses the membership needs of the Board of Directors in light of such things as upcoming retirements. As part of its nomination process, the Corporate Governance Committee looks for individuals with a broad business experience,

but also individuals with skills, experiences and qualifications that relate to the issues that Duke Energy commonly faces. These desired skills and qualifications include knowledge of the industry, finance, the environment, risk management and regulatory and legal issues, all of which are pertinent to climate change risk management. For further information about our director skills, please see pages 12 through 19 of the proxy statement. Additional information regarding our director refreshment and nomination process is included in the Report of the Corporate Governance Committee on pages 29 through 31 of the proxy statement.

Question #20

- **With Marie McKee owning slightly over 100 shares how can one vote for her? Many investors have more "skin in the game" than Marie.**

Answer:

As of February 26, 2017, Ms. McKee had an ownership interest in a total of 56,327 shares of Duke Energy common stock, as described in more detail below.

Ms. McKee's ownership of securities in Duke Energy as of February 26, 2017, is listed in two separate tables on page 34 of the proxy statement dated March 23, 2017. The first table reflects that Ms. McKee beneficially owns 137 shares of Duke Energy common stock.

The second table reflects that Ms. McKee owns 56,190 units in Duke Energy common stock under the Directors' Savings Plan. Ms. McKee has elected through the years to defer a portion of her retainers and attendance fees under our Directors' Savings Plan. Deferred amounts are credited to an unfunded account, the balance of which is adjusted for the performance of phantom investment options, including the Duke Energy common stock fund, as elected by the director. Ms. McKee's deferrals are invested in the Duke Energy common stock fund and, as of February 26, 2017, she owned 56,190 units in Duke Energy common stock under that plan. Each unit is equal in economic value to one share of Duke Energy common stock.

As a result of her various investments, as of Feb. 26, 2017, Ms. McKee had approximately $4.6 million invested in securities that were tied to the performance of our common stock.

Question #21

- **Why are their so many on the board of directors.? How much compensation increase will the duke Energy executive officers are getting now?**

Answer:

Due to the size of Duke Energy and the advantages of experience and perspective that can be gained from directors from legacy companies, we believe that our optimal board size is between 14 and 18 directors, as stated in our Principles for Corporate Governance.

The compensation for each executive officer is based upon, among other factors, job responsibilities, level of experience, individual performance, comparisons to the salaries of executives in similar positions obtained from our compensation peer group and market surveys, and internal pay equity considerations. As of Dec. 31, 2016, approximately 90 percent of Ms. Good's target direct compensation (i.e., base salary, short-term incentives and long-term

incentives) was performance and/or stock-based, and approximately 76 percent of the target direct compensation of the other named executive officers was performance and/or stock-based.

In 2016, we made the following adjustments to the compensation of our named executive officers listed in the proxy statement:

- Ms. Good's base salary was increased from $1,250,000 to $1,300,000, her target short-term incentive opportunity was increased from 140 percent to 150 percent of base salary, and her target long-term incentive opportunity was increased from 600 percent to 700 percent of base salary. These adjustments were based on a number of factors, including, but not limited to: market data that indicated Ms. Good's target compensation opportunity was below market levels for an organization of our size and scope, recognition of the complexity and importance of Ms. Good's position, as well as her outstanding performance record and leadership and potential future contributions to Duke Energy.

- Mr. Young, Mr. Yates and Ms. Janson each received increases in base salary of 5 percent, and Mr. Jamil received an increase in base salary of 11 percent. In addition, the long-term incentive opportunity for Mr. Jamil and Ms. Janson was increased from 250 percent to 275 percent of base salary and from 200 percent to 225 percent of base salary, respectively. These increases were intended to bring their total direct compensation levels closer to market median and for internal pay equity purposes.

Question #22

- **When is executive compensation enough? Year after year it continually increases out of control. Please have some respect and allegiance for the real employees who make Duke successful. Take all executives increases and give to employees who deserve it.**

Answer:

One of our core compensation objectives is to attract and retain talented executives through total compensation that generally is competitive with that of other executives and key employees of similarly sized companies with similar complexity, whether within or outside of the utility sector. The Compensation Committee retains an independent consultant to assist in developing and reviewing our executive compensation objectives and to confirm that the design and pay levels of our compensation programs are consistent with market practices. The actual compensation for each executive officer is based upon, among other factors, job responsibilities, level of experience, individual performance, comparisons to the salaries of executives in similar positions obtained from our compensation peer group and market surveys, and internal pay equity considerations.

Question #23

- **Pay Compensation. is full of smoke and screens. It should be simplified. What ever happened to the notion that executive comp should be about 20 times the lowest paid employee? Are any members of the board plan to take a pay cut like some other company executives?**

Answer:

Please see response to question #22. Presently, there are no plans to reduce director compensation.

Question #24

- **The current coal ash clean up plan includes capping in place toxic coal ash at six current sites. This increases the likelihood that Duke will be subject to ongoing litigation and financial penalties while continuing to jeopardize the health of residents. Why isn't the company permanently solving these problems by excavating all coal ash sites and moving the coal ash to dry, lined storage away from our waterways?**

Answer:

Please see response to question #3.

Question #25

- **The growth of clean energy has been an unmitigated economic success in NC, yet Duke seems to oppose the growth at every turn. Instead of trying to slow the growth of solar by fighting the policies that have allowed NC to become a national leader, why isn't Duke figuring out how to capitalize on the energy sources of the 21st century which will help to ensure the company remains profitable long term while protecting local communities' health?**

Answer:

Duke Energy is a strong supporter of solar and other renewable resources. Over the last decade, we've invested $5 billion in renewables in over a dozen states, including North Carolina. This has made us one of the top five renewable energy companies in the U.S., with more than 3,000 megawatts of owned capacity. As part of our effort to generate cleaner energy, we plan to invest an additional $2.3 billion in renewables over the next five years.

In North Carolina, our investments in solar are a key reason why the state ranks second in the nation in total solar capacity installed. We own and operate around 35 solar facilities in the state, totaling about 500 megawatts.

However, in North Carolina we are required to buy from solar developers at 15-year contracts at fixed prices that are higher than market. Those higher costs are passed directly to our customers, and we estimate this will result in our customers overpaying more than $1 billion over the next 12 years.

To better serve our customers and lower costs, we are advocating for a market-driven process that would require solar developers to compete with others for projects. In addition to lower costs for our customers, this would help us manage the volume and locations where the projects are built to help avoid operational impacts and improve reliability. We believe this is the right approach for sustainable solar growth that enables us to deliver reliable power while keeping bills low.

Question #26

- **The growth of clean energy has been an unmitigated economic success for North Carolina, yet Duke seems to oppose the growth at every turn. Instead of trying to slow the growth of solar by fighting the policies that have allowed North Carolina to become a national leader, why isn't Duke figuring out how to capitalize on the energy sources of the 21st century which will help to ensure the company remains profitable long term while protecting local communities' health?**

Answer:

Please see response to question #25.

Question #27

- **I am deeply concerned about your long term plans for energy generation and the risk it poses for climate disaster for future generations. Also, from a business profitability standpoint, the growth of clean energy has been an unmitigated economic success for North Carolina, yet Duke seems to oppose the growth at every turn. Instead of trying to slow the growth of solar by fighting the policies that have allowed North Carolina to become a national leader, why isn't Duke figuring out how to capitalize on the energy sources of the 21st century which will protect local communities health and ensure the company remains profitable long term.**

Answer:

Please see response to question #25.

Question #28

- **Clean energy has been an unmitigated economic success for North Carolina and it can be for our company, What will Duke do to become a national leader, and capitalize on the energy sources of the 21st century which will help to ensure the company remains profitable long term while protecting local communities' health? For example, off-shore wind has already arrived off of Rhode Island. Participate in the roll-out to drive the cost down as you did with solar.**

Answer:

Please see response to question #25.

Question #29

- **Why has Duke decided to limit shareholder participation by moving to an online-only format for its annual meeting? An in-person meeting that is also broadcast online would show more respect to shareholders who want to participate and have a meaningful opportunity to speak directly to management.**

Answer:

Please see response to question #12.

Question #30

- **Why has Duke decided to limit shareholder participation through an online only format for its annual meeting of shareholders? Moving forward, will Duke consider providing both an in-person and an online opportunity for shareholders to participate? An online only format stifles the ability for regular shareholders to interact with the board and offer feedback.**

Answer:

Please see response to question #12.

Question #31

- **Why is the company having a virtual-only meeting?**

Answer:

Please see response to question #12.

Question #32

- **Duke Energy has invested substantial resources designing, planning and beginning construction of an onsite landfill at its Rogers power plant that is large enough to safely dispose of all coal ash on the site, eliminating potential long term liability, as well as all new coal ash generated by that plant in the future, especially now that the company is retrofitting those boilers to burn gas too. Why is the company investing in co-fired gas at the site, a major new coal ash landfill, and the cost of building a cap over coal ash that will present a permanent risk of liability. Isn't it better for your shareholders if you take full advantage of the already planned landfill to fully excavate the coal ash ponds there rather than build a cap?**

Answer:

The majority of our operating coal plants today utilize on-site landfills to safely manage coal ash dry. The fully lined landfill at the Rogers Energy Complex began operating in 2010 as part of our modernizing of the plant's operations. Right now, phases I and II of the landfill are in operation. There are a total of five phases planned with a combined capacity of approximately 13.3 million cubic yards.

Although it could be possible to relocate the coal ash in the two large basins to the landfill, it's not especially practical or prudent. Doing so would significantly reduce the amount of capacity for newly generated ash as the plant continues to power the region and provide cost-effective, reliable electricity to our customers. Long-term technical reasons drove our decision to excavate a small ash basin at the site and safely relocate it to the landfill. For the remaining two basins, our extensive science and engineering assessments conclude that the best way to safely close those basins is by removing the water and capping the ash in place with a synthetic capping system consistent with state and federal regulations. This closure method allows us to reduce the movement of the material, the footprint of the permanent storage area and the costs to customers.

Duke Energy is pursuing the option to provide natural gas to our two coal-fueled units at the Rogers Energy Complex. Once plant modifications are completed, the two Rogers units would be able to produce electricity with either coal and/or natural gas, commonly referred to as co-firing or dual fuel optionality. Providing dual fuel optionality demonstrates our commitment to improving our operation by finding innovative ways to power the communities we serve in a cost-effective manner.

Question #33

- **Duke is proposing almost 20 new gas plants across North Carolina and South Carolina, but in order to meet the goals of the Paris Climate Agreement, we need to rapidly decarbonize our electricity sector and limit methane pollution. Doesn't this build-out put the company at risk of stranding billions of dollars in capital assets?**

Answer:

Please see response to question #5.

Question #34

- **Duke is proposing almost 20 new gas plants across North Carolina and South Carolina territory, but to avert catastrophic climate change, the world needs to rapidly decarbonize and limit methane pollution. Doesn't Duke's plan to build the Atlantic Coast Pipeline and so many gas-fired power plants put the company at risk of stranding billions of dollars in capital assets?**

Answer:

Please see response to question #5.

Question #35

- **What is Duke Energy's preventive maintenance schedule? I live in Mebane NC. The distribution lines off of the main feeders are in terrible shape. There are numerous broken pole grounds, rotten and split cross arms and I have reported one pole two times that has woodpecker holes completely through it., Some pole are half their original diameter due to slabs peeling off. The transmission substation between Mebane and Haw River looks terrible. It has extremely rusted circuit breakers and transformers. If these have been inspected in recent years, there is no evidence from the results.**

Answer:

Duke Energy inspects its poles on a cycle in order to ensure the structural integrity is sufficient for safe and reliable operation, and to address any identified structural problems. As a wood pole or cross arm ages, it can have splits, cracks or holes and still be structurally sound.

In North Carolina, an average of 231,000 wood distribution poles are inspected a year and an average of 9,200 wood poles are replaced or reinforced a year as a result of these inspections to help ensure safe and reliable service for customers and our communities.

Duke Energy is committed to building a smarter energy future for North Carolina. We are planning to invest $13 billion over the next 10 years to strengthen the state's energy grid, making it more resilient and secure. These enhancements will improve power quality and reliability while enabling more options for our customers.

These investments will include substation and transmission line upgrades, flood mitigation, physical and cyber security, and system intelligence. Distribution lines, poles and equipment will be upgraded to help prevent outages, especially during storms, and provide faster restoration times when outages do occur. This work will include retrofitting transformers; replacing aged and/or deteriorating cable, conductors, poles and protective devices; and managing vegetation around power equipment.

Question #36

- **Coal ash abatement - money spend to date from 2017 budget total and 2018 coal ash abatement budget. Suggestion - pilot project- gasify coal at a steam station to pipeline quality, burn gas as fuel and send out excess to pipeline for sale.**

Answer:

Thank you for this question and suggestion. The horizon for addressing coal ash and safely closing ash basins will occur over several years. We've been updating these estimates regularly, and our update in February 2017 noted $6.2 billion for total closure costs across all jurisdictions. These costs include all the projects needed to close basins, such as beneficial reuse, excavation or cap in place solutions, as well as groundwater monitoring and post-closure monitoring, among other items.

Your suggestion about gasification is well timed. We operate a coal gasification plant in Indiana, the Edwardsport IGCC, and it's one of the cleanest and most efficient coal plants in the world. We also filed a notice last fall that we'll be converting coal units at our Rogers Energy Complex

in North Carolina to also burn natural gas. Having the option to burn gas in addition to coal reduces emissions, lowers fuel costs and improves flexibility. As part of our long-term planning, we will continue to look at the possibility of dual fuel optionality (co-firing existing coal plants with natural gas) across our coal fleet where it makes sense for customers and lowers emissions.

Question #37

- **In talking with AEP management they are avoiding new investment in central station generation in almost every situation. AEP still has an annual capex budget of $5-6B but they are spending it on wires and renewables as these are much less likely to be disallowed by future commissions or put at risk by future regulations. Arguably Duke is at even higher exposure for regulatory risk due to coal ash and other issues. As such, why is Duke continuing to invest such large amounts in central station generation, particularly by proposing 7-8 GW of new gas in the Carolinas? Does Duke's authorized ROE adequately compensate investors for the additional risk they are taking on by proposing such a large amount of new gas?**

Answer:

Everything we do begins with our customers in mind and we are making investments in infrastructure our customers value and that also deliver sustainable growth for our investors. We are making significant investments in our energy delivery system by investing $25 billion over the next 10 years to create a more modern, smarter energy grid. We are also investing $11 billion over the next 10 years as we continue our move to a low-carbon future by retiring coal generation and building new renewables and cleaner natural gas fired generation. So far, we've reduced carbon emissions by 29 percent since 2005. By 2030, we expect investments in cleaner generation to allow us to reduce our carbon emissions by 40 percent from the 2005 level.

Our plans for new generation are underpinned by the need to meet the energy needs of our customers. We see a continued need for cleaner generation to meet this demand in the face of continued retirement of coal fired generation, and to meet continued load growth in our service territories. We are required to seek approval from our individual state regulatory commissions prior to the construction of any new generation resources. Given the constructive regulatory framework in each of our utilities, we have a long track record of recovering our costs. This includes a fair return on equity for shareholders, which is determined by our regulators. We remain committed to our customer expectations to continue to deliver power safely and reliably, while protecting the environment and the communities we serve.

Question #38

- **Question for Director Forsgren: as chair of the Finance and Risk Management Committee, please explain why the board is opposed to disclosure regarding the public health risks of coal use?**

Answer:

Safety is Duke Energy's top priority. Duke Energy is heavily regulated at both the state and federal level – including environmental regulations that govern our air, water and waste use and disposal. Duke Energy looks at its environmental management holistically and long-term to make the best technology investment decisions on behalf of its customers. Public health

standards are created by the experts at state and federal agencies who determine such things as safe drinking water standards, air emission limits or what the appropriate disposal methods are for waste. Our job is to comply with those standards. These state and federal agencies have the appropriate medical and technical expertise to determine what is appropriate to maintain public health. Therefore, it would be inappropriate for Duke Energy to attempt such a study and therefore, the Board of Directors does not believe it is in the best interests of the Corporation or its shareholders to prepare such a report. For additional information on the Board's position on this matter, you may refer to pages 73 and 74 of the proxy statement.

In addition to complying with existing state and federal safety standards, Duke Energy is already continuing to modernize its system and transition from coal to natural gas and renewables. We refer you to the online Sustainability Report which is located on Duke Energy's website at http://sustainabilityreport.duke-energy.com/downloads/16-duke-sr-complete.pdf for detailed information about our air, water and waste statistics.

Question #39

- **Question for Director Angelakis: as chair of the Audit Committee, please explain why the board is opposed to disclosures regarding the public health risks of coal use? How is the company accounting for these risks and establishing reserves for the associated legal liabilities?**

Answer:

Please see response to question #38.

Question #40

- **Question for Director Hyler: as chair of the Regulatory Policy & Operations Committee, please explain how the board is managing the risks of future public policies to address climate change, and why the board has opposed the shareholder proposal requesting disclosure of the impact of climate change on the company's portfolio of assets.**

Answer:

Duke Energy takes seriously its responsibility to provide reliable, affordable and clean power for all of its customers and is committed to a cleaner, smarter energy future. Duke Energy already has a robust resource planning process in place that takes many factors – including various scenarios of possible future constraints on carbon dioxide emissions – into account. Resource plans are filed publicly in each of our state jurisdictions. We opposed the shareholder proposal as primarily redundant and therefore not a good use of the Corporation's resources.

In addition, our annual Sustainability Report provides transparent, comprehensive information on issues such as climate change, air emissions, coal retirements, grid resiliency, renewables, water use and other issues important to stakeholders. We encourage you to review this report which is located on Duke Energy's website at http://sustainabilityreport.duke-energy.com/downloads/16-duke-sr-complete.pdf. For additional information on the Board's position on this matter, you may refer to page 72 of the proxy statement.

Question #41

- **Question for Mr. Forsgren: as Chair of the Finance and Risk Management Committee, why are you opposed to the disclosures of corporate contributions to trade associations for the purposes of influencing public policy? Would this not reduce risks to the company? If not, why not?**

Answer:

Duke Energy is committed to adhering to the highest standards of ethics in engaging in any lobbying activities. As a public utility holding company, the Corporation is highly regulated. As such, the Board of Directors believes that it is in Duke Energy's and our shareholders' best interests to participate in the political practices to ensure that local, state and federal lawmakers understand and consider the interests of the Corporation, our customers, employees, shareholders, communities and other stakeholders.

In addition, based on our shareholder engagement and feedback, we have supplemented our compliance with improved governance and website disclosure. For these reasons, the Board of Directors believes that the additional report requested in the proposal would result in an unnecessary and unproductive use of the Corporation's resources. For additional information on the Board's position on this matter, you may refer to page 70 of the proxy statement.

Question #42

- **Is there an audio line for this meeting?**

Answer:

Yes, an audio broadcast of the Annual Meeting was available by telephone toll-free at 1.888.256.9124, conference number 4228233. A video replay of the meeting is on our website at http://www.duke-energy.com/investors.

Question #43

- **How can I receive materials in large print (16 point font or greater)?**

Answer:

Though we understand the difficulty that some individuals may have in reading smaller font, Duke Energy must print its materials in accordance with the rules and regulations set forth by the Securities and Exchange Commission.

Question #44

- **Where do I find more information on the Board of Directions?**

Answer:

Information regarding the members of Duke Energy's Board of Directors, including director skills, biographical information, director independence, Board structure, director compensation

and the committees of the Board of Directors is provided on pages 11 through 33 of the proxy statement. Information regarding Duke Energy's Board of Directors is also provided on our website at https://www.duke-energy.com/our-company/investors/corporate-governance/board/.

Question #45

- **Why don't I receive a statement of my holdings?**

Answer:

If your shares are registered directly with Duke Energy you should receive an account statement at least annually. If your shares are held through a bank or broker, a statement should be sent to you by that bank or broker. For additional assistance, you may call our Shareholder Services department at 800-488-3853.

Question #46

- **Where is the location of the meeting?**

Answer:

Duke Energy's 2017 Annual Meeting of Shareholders was held online via webcast only. A video replay of the meeting is on our website at http://www.duke-energy.com/investors.

Question #47

- **The ballots are not easily read and I have tossed many because you said I didn't have the right code number I found out this time that the number 6 looks more like an 8 at 84 years old you should be aware.**

Answer:

We appreciate you letting us know of the difficulty in reading some of the letters and numbers in the proxy materials. We will look into this concern while ensuring we continue to comply with the printing requirements set forth by the Securities and Exchange Commission's rules and regulations.

Question #48

- **Please provide a .pdf version of the proxy materials. I am NOT INTERESTED in a glitzy entertainment presentation that leaves no record after the fact.**

Answer:

The proxy materials were provided to the shareholder in Portable Document Format (PDF) as requested.

Question #49

- **REALLY WOULD LIKE TO RECIEVE A HARD COPY OF THE ANNUAL REPORT. WITH MANY THANKS**

Answer:

A hard copy of the Annual Report was provided to the shareholder as requested.

Question #50

- **Please inform me when my vote is recorded. Thanks.**

Answer:

Because voting is anonymous, Duke Energy does not have the ability to inform shareholders when their vote has been recorded. However, Broadridge Financial Solutions, which records the votes for our Annual Meeting, immediately provides notification to shareholders who have checked the box to request such notification at the time they voted. To contact Broadridge Financial Solutions regarding your vote, you may call 1.866.232.3037.

Question #51

- **I would like a list that shows the vote totals for all directors**

Answer:

Vote totals for each of the directors as well as all other proposals were filed with the Securities and Exchange Commission on a Form 8-K dated May 4, 2017, a copy of which can be located at https://www.sec.gov/Archives/edgar/data/1326160/000132616017000113/a5-10x17form8xkamvotingres.htm.

Question #52

- **We are unable to understand his presentation!**

Answer:

A technical issue occurred when a shareholder proponent called in to present his proposal. We had a backup method in place to ensure that the shareholder proposal was heard in its entirety. We apologize to the shareholder for the inconvenience.

Question #53

- **Is anyone else having problems with the volume? I'm getting video, but no audio.**

Answer:

Please see response to question #52.

Question #54

- **Sorry you did not get to my questions, but like the webcast format.**

Answer:

Thank you for the feedback. We look forward to continuing to enhance the experience moving forward.

Question #55

- **I do not have a question but would like to discuss issues privately [redacted for privacy concerns].**

Answer:

This shareholder has been contacted privately as requested.