

Duke Energy Corporation
Non-GAAP Reconciliations
Fourth Quarter Earnings Review & Business Update
February 20, 2018

Adjusted Diluted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) Fourth Quarter Earnings Review and Business Update on February 20, 2018, include a discussion of adjusted diluted EPS for the quarters and year-to-date periods ended December 31, 2017 and 2016.

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

Management believes the presentation of adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses this non-GAAP financial measure for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors (Board of Directors), employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS attributable to Duke Energy Corporation common stockholders. Reconciliations of adjusted diluted EPS for the quarters and year-to-date periods ended December 31, 2017 and 2016, to the most directly comparable GAAP measures are included herein.

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

- Costs to Achieve Mergers represent charges resulting from strategic acquisitions.
- Cost Savings Initiatives represent severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.
- Regulatory settlements represent charges related to the Levy nuclear project in Florida and the Mayo Zero Liquid Discharge and Sutton combustion turbine projects in North Carolina.
- Commercial Renewables Impairments represent other-than-temporary, asset and goodwill impairments.
- Impacts of the Tax Act represent estimated amounts recognized related to the Tax Cuts and Jobs Act.

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

Adjusted Diluted EPS Guidance

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018, include a reference to the original forecasted 2017 adjusted diluted EPS guidance range of \$4.50 - \$4.70 per share, the narrowed forecasted 2017 adjusted diluted EPS guidance range of \$4.50 - \$4.60 per share and the forecasted 2018 adjusted diluted EPS guidance range of \$4.55 - \$4.85 per share. The materials

also reference the long-term range of annual growth of 4% - 6% through 2022 in adjusted diluted EPS (on a compound annual growth rate (CAGR) basis). Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per share impact of special items (as discussed above under Adjusted Diluted EPS). Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.

Adjusted Segment Income and Adjusted Other Net Expense

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018, include a discussion of adjusted segment income and adjusted other net expense for the year-to-date period ended December 31, 2017 and a discussion of 2017 and 2018 forecasted adjusted segment income and forecasted adjusted segment expense.

Adjusted segment income and adjusted other net expense are non-GAAP financial measures, as they represent reported segment income and other net expense adjusted for special items (as discussed above under Adjusted Diluted EPS). Management believes the presentation of adjusted segment income and adjusted other net expense provides useful information to investors, as it provides an additional relevant comparison of a segment's or Other's performance across periods. When an EPS amount is provided for a segment income driver, the per share impact is derived by taking the pretax amount of the item less income taxes based on the consolidated statutory tax rate of 38 percent, except for Duke Energy Renewables, which uses an effective tax rate, divided by the Duke Energy weighted-average diluted shares outstanding for the period. The most directly comparable GAAP measures for adjusted segment income and adjusted other net expense are reported segment income and other net expense, which represents segment income and other net expense from continuing operations, including any special items. A reconciliation of adjusted segment income and adjusted other net expense for the year-to-date period ended December 31, 2017, to the most directly comparable GAAP measures is included herein. Due to the forward-looking nature of any forecasted adjusted segment income and forecasted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures are not available at this time, as the company is unable to forecast all special items, as discussed above under Adjusted Diluted EPS Guidance.

Adjusted Effective Tax Rate (ETR)

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a discussion of the adjusted ETR for the year-to-date period ended December 31, 2017. The materials also include a discussion of the 2017 and 2018 forecasted adjusted ETR. Adjusted ETR is a non-GAAP financial measure as the rate is calculated using a pretax earnings and income tax expense, both adjusted for the impact of special items, as discussed above under Adjusted Diluted EPS. The most directly comparable GAAP measure for adjusted ETR is reported effective tax rate. A reconciliation of the adjusted ETR for the year-to-date period ended December 31, 2017 to the most directly comparable GAAP measure is included herein. Due to the forward-looking nature of the 2017 and the 2018 forecasted adjusted ETR, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted Diluted EPS Guidance.

Dividend Payout Ratio

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a discussion of Duke Energy's forecasted dividend payout ratio of 70% - 75% through 2022 based upon adjusted diluted EPS. This payout ratio is a non-GAAP financial measure as it is based upon forecasted diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items, as discussed above under Adjusted Diluted EPS. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted Diluted EPS Guidance.

Adjusted Book Return on Equity (ROE)

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a reference to the historical and projected adjusted book return on equity (ROE) ratio. This ratio is a non-GAAP financial measure. The numerator represents Net Income, adjusted for the impact of special items (as discussed above under Adjusted Diluted EPS). The denominator is average Total Common Stockholder's Equity, reduced for Goodwill. A reconciliation of the components of adjusted ROE to the most directly comparable GAAP measures is included here-in. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted Diluted EPS Guidance.

Funds From Operations ("FFO") Ratios

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a reference to historical and expected FFO to Total Debt ratios. These ratios reflect non-GAAP financial measures. The numerator of the FFO to Total Debt ratio is calculated principally by using net cash provided by operating activities on a GAAP basis, adjusted for changes in working capital, ARO spend and reduced for capitalized interest (including any AFUDC interest). The denominator for the FFO to Total Debt ratio is calculated principally by using the balance of long-term debt (excluding purchase accounting adjustments and long-term debt associated with the CR3 Securitization), including current maturities, plus notes payable and commercial paper outstanding. The calculation of FFO to Total Debt ratio for historical periods is included here-in.

Holdco Debt Percentage

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a reference to a historical and projected Holdco debt percentage. This percentage reflects a non-GAAP financial measure. The numerator of the Holdco debt percentage is the balance of Duke Energy Corporate debt, Progress Energy, Inc. debt, PremierNotes and the Commercial Paper attributed to the Holding Company. The denominator for the percentage is the balance of long-term debt (excluding purchase accounting adjustments and long-term debt associated with the CR3 Securitization), including current maturities, plus notes payable and commercial paper outstanding.

Available Liquidity

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a discussion of Duke Energy's available liquidity balance. The available liquidity balance presented is a non-GAAP financial measure as it represents Cash and cash equivalents, excluding amounts unavailable for operations, and remaining availability under the master credit and other facilities. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents. A reconciliation of available liquidity as of December 31, 2017 to the most directly comparable GAAP measure is included herein.

Business Mix Percentage

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 reference each segments 2018 projected adjusted segment income as a percentage of the total projected 2018 adjusted net income (i.e. business mix), excluding the impact of Other. Duke Energy's segments are comprised of Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The materials also reference the ten-year target percentage of total Gas Utilities and Infrastructure adjusted segment income as a percentage of the total adjusted net income, excluding the impact of Other.

Adjusted segment income is a non-GAAP financial measure, as it represents reported segment income adjusted for special items as discussed above. Due to the forward-looking nature of any forecasted adjusted segment income, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items (as discussed above under Adjusted Diluted EPS Guidance).

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended December 31, 2017
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items				Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Regulatory Settlements	Commercial Renewables Impairments	Impacts of the Tax Act			
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 826	\$	\$ 14	B \$	\$ (231)	\$	\$ (217)	\$ 609
Gas Utilities and Infrastructure	140				(26) D		(26)	114
Commercial Renewables	439			18 C	(442)		(424)	15
Total Reportable Segment Income	1,405		14	18	(699)		(667)	738
Other	(700)	21 A			597		618	(82)
Discontinued Operations	(2)					2 E	2	
Net Income Attributable to Duke Energy Corporation	\$ 703	\$ 21	\$ 14	\$ 18	\$ (102) D	\$ 2	\$ (47)	\$ 656
EPS ATTRIBUTABLE TO DUKE ENERGY CORP, DILUTED	\$ 1.00	\$ 0.03	\$ 0.02	\$ 0.03	\$ (0.14)	\$	\$ (0.06)	\$ 0.94

A Net of \$13 million on tax benefit. \$34 million on recorded with in Operating Expenses on the Conso dated Statements of Operations.

B Net of \$9 million on tax benefit. \$19 million on recorded with in Impairment Charges and \$4 million on recorded with in Other Income and Expenses on the Conso dated Statements of Operations.

C Recorded with in Impairment Charges on the Conso dated Statement of Operations.

D \$118 million on benefit recorded with in Income Tax Expense from Continuing Operations, offset by \$16 million on expense recorded with in Gas Utilities and Infrastructure's Equity in Earnings of Unconso dated Affiliates on the Conso dated Statements of Operations.

E Recorded in (Loss) Income from Discontinued Operations, net of tax on the Conso dated Statements of Operations.

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2017
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items				Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Regulatory Settlements	Commercial Renewables Impairments	Impacts of the Tax Act			
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 3,210	\$	\$ 98 B	\$	\$ (231)	\$	\$ (133)	\$ 3,077
Gas Utilities and Infrastructure	319				(26) D		(26)	293
Commercial Renewables	441			74 C	(442)		(368)	73
Total Reportable Segment Income	3,970		98	74	(699)		(527)	3,443
Other	(905)	64 A			597		661	(244)
Discontinued Operations	(6)					6 E	6	
Net Income Attributable to Duke Energy Corporation	\$ 3,059	\$ 64	\$ 98	\$ 74	\$ (102) D	\$ 6	\$ 140	\$ 3,199
EPS ATTRIBUTABLE TO DUKE ENERGY CORP, DILUTED	\$ 4.36	\$ 0.09	\$ 0.14	\$ 0.11	\$ (0.14)	\$ 0.01	\$ 0.21	\$ 4.57

A Net of \$39 million on tax benefit. \$102 million on recorded with in Operating Expenses and \$1 million on recorded with in Interest Expense on the Conso dated Statements of Operations.

B Net of \$60 million on tax benefit. \$154 recorded with in Impairment Charges and \$4 million on recorded with in Other Income and Expenses on the Conso dated Statements of Operations.

C Net of \$28 million on tax benefit. \$92 million on recorded with in Impairment Charges and \$10 million on recorded with in Other Income and Expenses on the Conso dated Statements of Operations.

D \$118 million on benefit recorded with in Income Tax Expense from Continuing Operations, offset by \$16 million on expense recorded with in Gas Utilities and Infrastructure's Equity in Earnings of Unconso dated Affiliates on the Conso dated Statements of Operations.

E Recorded in (Loss) Income from Discontinued Operations, net of tax on the Conso dated Statements of Operations.

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended December 31, 2016
(Dollars in millions, except per-share amounts)

	<u>Special Items</u>						Adjusted Earnings
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	International Energy Operations	Discontinued Operations	Total Adjustments	
SEGMENT INCOME							
Electric Utilities and Infrastructure	\$ 483	\$	\$	\$	\$	\$	\$ 483
Gas Utilities and Infrastructure	89						89
Commercial Renewables	10						10
Total Reportable Segment Income	582						582
International Energy				40 C		40	40
Other	(209)	134 A	18 B			152	(57)
Intercompany Eliminations	1				(1)	(1)	
Discontinued Operations	(601)			(40) C	641 D	601	
Net Income Attributable to Duke Energy Corporation	\$ (227)	\$ 134	\$ 18	\$	\$ 640	\$ 792	\$ 565
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ (0.33)	\$ 0.19	\$ 0.03	\$	\$ 0.92	\$ 1.14	\$ 0.81

A Net of \$74 million on tax benefit. \$10 million on recorded within Operating Revenues, \$198 million on recorded within Operating Expenses on the Consolidated Statements of Operations.

B Net of \$11 million on tax benefit. Primarily consists of severance costs recorded within Operating, maintenance and other on the Consolidated Statements of Operations.

C Net of \$26 million on tax expense. Operating results of the International Divisio Group, which exclude the loss and transaction related costs described below, recorded within (Loss) Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.

D Recorded within (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes a loss on the sale of the International Divisio Group and other transaction related costs.

Weighted Average Shares, Diluted (reported and adjusted) - 699 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
 Twelve Months Ended December 31, 2016
 (Dollars in millions, except per-share amounts)

	<u>Special Items</u>						<u>Total Adjustments</u>	<u>Adjusted Earnings</u>
	<u>Reported Earnings</u>	<u>Costs to Achieve Mergers</u>	<u>Cost Savings Initiatives</u>	<u>Commercial Renewables Impairment</u>	<u>International Energy Operations</u>	<u>Discontinued Operations</u>		
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 3,040	\$	\$	\$	\$	\$	\$	\$ 3,040
Gas Utilities and Infrastructure	152							152
Commercial Renewables	23			45	C		45	68
Total Reportable Segment Income	3,215			45			45	3,260
International Energy					243	D	243	243
Other	(645)	329	A	57	B		386	(259)
Intercompany Eliminations	1					(1)	(1)	
Discontinued Operations	(419)				(243)	D	662	E
Net Income Attributable to Duke Energy Corporation	\$ 2,152	\$ 329	\$ 57	\$ 45	\$	\$ 661	\$ 1,092	\$ 3,244
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.11	\$ 0.48	\$ 0.08	\$ 0.07	\$	\$ 0.95	\$ 1.58	\$ 4.69

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

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

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

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

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

Weighted Average Shares, Diluted (reported and adjusted) - 691 million

DUKE ENERGY CORPORATION
ADJUSTED EFFECTIVE TAX RECONCILIATION
December 2017
(Dollars in Millions)

	Three Months Ended December 31, 2017		Year Ended December 31, 2017	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 866		\$ 4,266	
Costs to Achieve Piedmont Merger	34		103	
Regulatory Settlements	23		158	
Commercial Renewables Impairments	18		102	
Impacts of the Tax Act	16		16	
Noncontrolling Interests			(5)	
Adjusted Pretax Income	\$ 957		\$ 4,640	
Reported Income Tax Expense From Continuing Operations	\$ 161	18.6%	\$ 1,196	28.0%
Costs to Achieve Piedmont Merger	13		39	
Regulatory Settlements	9		60	
Commercial Renewables Impairments			28	
Impacts of the Tax Act	118		118	
Adjusted Tax Expense	\$ 301	31.5% *	\$ 1,441	31.1% *

	Three Months Ended December 31, 2016		Year Ended December 31, 2016	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 512		\$ 3,734	
Costs to Achieve Mergers	208		523	
Cost Savings Initiatives	29		92	
Commercial Renewables Impairment			71	
International Energy Operations	66		270	
Noncontrolling Interests	(2)		(7)	
Intercompany Eliminations	(1)		(1)	
Adjusted Pretax Income	\$ 812		\$ 4,682	
Reported Income Tax Expense From Continuing Operations	\$ 136	26.6%	\$ 1,156	31.0%
Costs to Achieve Mergers	74		194	
Cost Savings Initiatives	11		35	
Commercial Renewables Impairment			26	
International Energy Operations	26		27	
Adjusted Tax Expense	\$ 247	30.4% *	\$ 1,438	30.7% *

*Adjusted effective tax rate is a non GAAP financial measure as the rate is calculated using pretax earnings and income tax expense, both adjusted for the impact of special items. The most directly comparable GAAP measure for adjusted effective tax rate is reported effective tax rate, which includes the impact of special items.

Duke Energy Corporation
Available Liquidity Reconciliation
As of December 31, 2017
(In millions)

Cash and Cash Equivalents	\$ 358	
Less: Certain Amounts Held in Foreign Jurisdictions	(5)	
Less: Unavailable Domestic Cash	<u>(54)</u>	
	299	
Plus: Remaining Availability under Master Credit Facilities and other facilities	<u>6,057</u>	
Total Available Liquidity (a)	<u>\$ 6,356</u>	approximately 6.4 billion

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

DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2017
dollars in millions

	Duke Energy Carolinas	Duke Energy Progress	Total Carolinas	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio Reportable Segments	Piedmont
Reported Net Income 2017	\$ 1,214	\$ 715	\$ 1,929	\$ 712	\$ 354	\$ 223 (2)	\$ 133 (4)
Special Items (1)	28	(17)	11	(136)	58	(20)	25
Adjusted Net Income 2017	1,242	698	1,940	576	412	203	158
2017							
Equity	11,361	7,949	19,310	5,618	4,121	3,166 (3)	1,616 (5)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	11,361	7,949	19,310	5,618	4,121	2,246	1,567
2016							
Equity	10,772	7,358	18,130	4,900	4,067	3,027 (3)	1,569 (5)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	10,772	7,358	18,130	4,900	4,067	2,107	1,520
Average Equity less Goodwill			18,720	5,259	4,094	2,177	1,544
Adjusted Book ROEs			10.4%	11.0%	10.1%	9.3%	10.2%

(1) Costs to Achieve (CTA), Mergers net of tax, Regulatory Settlements, and Tax Reform.

(2) Net Income for 2017 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA and cost savings initiatives.

(3) Reconciliation of Duke Energy Ohio Equity to Equity of the reportable segments:

	2017	2016
Reported Equity for Duke Energy Ohio	3,163	2,996
Less: Non-Reg & Other	(3)	(31)
Duke Energy Ohio Reportable Segments Equity	3,166	3,027

(4) Piedmont Natural Gas Net Income excludes \$6 million of income related to Investments in Gas Transmission Infrastructure.

(5) Reconciliation of Piedmont Natural Gas Equity to reported equity:

	2017	2016
Reported Equity for Piedmont Natural Gas	1,662	1,672
Less: Investments in Gas Transmission Infrastructure	46	103
Piedmont Natural Gas Adjusted Equity	1,616	1,569

DUKE ENERGY CORPORATION
 ADJUSTED BOOK RETURN ON EQUITY (ROEs)
 For the period ended December 31, 2016
 dollars in millions

	Duke Energy Carolinas	Duke Energy Progress	Total Carolinas	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio Reportable Segments	Piedmont Natural Gas (4)
Reported Net Income 2016	\$ 1,166	\$ 599	\$ 1,765	\$ 551	\$ 381	\$ 231 (2)	\$ 187 (5)
Special Items (1)	91	50	141	19	10	-	(40) (6)
Adjusted Net Income 2016	1,257	649	1,906	570	391	231	147
2016							
Equity	10,772	7,358	18,130	4,900	4,067	3,027 (3)	1,487 (7)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	10,772	7,358	18,130	4,900	4,067	2,107	1,438
2015							
Equity	11,606	7,059	18,665	5,121	3,836	2,855 (3)	1,299 (7)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	11,606	7,059	18,665	5,121	3,836	1,935	1,250
Average Equity less Goodwill			18,398	5,011	3,952	2,021	1,344
Adjusted Book ROEs			10.4%	11.4%	9.9%	11.4%	10.9%

(1) Costs to Achieve (CTA), Mergers net of tax and Cost Savings Initiatives.

(2) Net Income for 2016 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA and cost savings initiatives.

(3) Reconciliation of Duke Energy Ohio Equity to Equity of the reportable segments:

	2016	2015
Reported Equity for Duke Energy Ohio	2,996	2,784
Less: Non-Reg & Other	(31)	(71)
Duke Energy Ohio Reportable Segments	3,027	2,855

(4) Piedmont Natural Gas ROE is for the twelve months ended October 31, 2016.

(5) Piedmont Natural Gas Net Income excludes \$6 million of income related to Investments in Gas Transmission Infrastructure.

(6) Piedmont special items include:

Gain on sale of SouthStar equity method investment, net of tax	(81)
CTA	41
	(40)

(7) Reconciliation of Piedmont Natural Gas Equity to reported equity:

	October 31, 2016	October 31, 2015
Reported Equity for Piedmont Natural Gas	1,645	1,426
Less: Investments in Gas Transmission Infrastructure	158	127
Piedmont Natural Gas Adjusted Equity	1,487	1,299

DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2015
dollars in millions

	Duke Energy Carolinas	Duke Energy Progress	Total Carolinas	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio Reportable Segments	Piedmont Natural Gas (4)
Reported Net Income 2015	\$ 1,081	\$ 566	\$ 1,647	\$ 599	\$ 316	\$ 191 (2)	\$ 128 (5)
Special Items (1)	94	34	128	12	66	3	-
Adjusted Net Income 2015	1,175	600	1,775	611	382	194	128
2015							
Equity	11,606	7,059	18,665	5,121	3,836	2,855 (3)	1,299 (6)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	11,606	7,059	18,665	5,121	3,836	1,935	1,250
2014							
Equity	10,924	5,867	16,791	5,222	3,848	2,702 (3)	1,213 (6)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	10,924	5,867	16,791	5,222	3,848	1,782	1,164
Average Equity less Goodwill			17,728	5,172	3,842	1,859	1,207
Adjusted Book ROEs			10.0%	11.8%	9.9%	10.4%	10.6%

(1) Costs to Achieve (CTA), Mergers net of tax, Edwardsport Settlement, Cost Savings Initiatives and Ash Basin Settlements and Penalties.

(2) Net Income for 2015 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA.

(3) Reconciliation of Duke Energy Ohio Equity to Equity of the reportable segments:

	2015	2014
Reported Equity for Duke Energy Ohio	2,784	4,674
Less: Non-Reg & Other	(71)	1,972
Duke Energy Ohio Reportable Segments	2,855	2,702

(4) Piedmont Natural Gas ROE is for the twelve months ended October 31, 2015.

(5) Piedmont Natural Gas Net Income excludes \$9 million of income related to Investments in Gas Transmission Infrastructure.

(6) Reconciliation of Piedmont Natural Gas Equity to reported equity:

	October 31, 2015	October 31, 2014
Reported Equity for Piedmont Natural Gas	1,426	1,309
Less: Investments in Gas Transmission Infrastructure	127	96
Piedmont Natural Gas Adjusted Equity	1,299	1,213

Duke Energy Corporation
2018 Forecasted Cash Flow Reconciliation, Required by SEC Regulation G
2018 Analyst Meeting
February 20, 2018
(\$ in millions)

		<u>Forecast 2018</u>
Primary Sources:		
Adjusted net income (1)	(a)	\$ 3,360
Depreciation & amortization	(a)	4,675
Deferred and accrued taxes	(a)	820
Other sources / (uses), net	(a)	(355)
Total Sources		<u>8,500</u>
Primary Uses:		
Capital expenditures (including discretionary)	(b)	(10,950)
Dividends	(c)	(2,575)
Total Uses		<u>(13,525)</u>
Uses in Excess of Sources		<u>(5,025)</u>
Net Change in Financing		
Debt issuances	(c)	6,000
Debt maturities	(c)	(3,135)
Net Change in Debt		<u>2,865</u>
Common stock issuances	(c)	2,000
Net Change in Cash		<u>\$ (160)</u>
Reconciliations to forecasted U.S. GAAP reporting amounts:		
Operating cash flow components, sum of (a) from above		\$ 8,500
Reconciling items to GAAP cash flows from operating activities	(2)	(1,275)
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows		<u>\$ 7,225</u>
Investing cash flow components, (b) from above		\$ (10,950)
Reconciling items to GAAP cash flows from investing activities	(2)	1,325
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows		<u>\$ (9,625)</u>
Financing cash flow components, sum of (c) from above		\$ 2,290
Reconciling items to GAAP cash flows from financing activities	(2)	(50)
Net cash used in financing activities per GAAP Consolidated Statement of Cash Flows		<u>\$ 2,240</u>
<i>Debt maturities [(d) from above] includes "Notes payable and commercial paper" which is separately presented per GAAP Consolidated Statements of Cash Flows</i>		
Net decrease in cash and cash equivalents per forecasted GAAP Consolidated Statements of Cash Flows		<u>\$ (160)</u>

Notes:

(1) The forecasted adjusted net income of \$3,360 million for 2018 is an illustrative amount based on the midpoint of Duke Energy's adjusted diluted EPS outlook range of \$4.55-\$4.85 per share. The EPS measure used for employee incentive compensation is primarily based on adjusted diluted EPS. Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items.

(2) Amount consists primarily of an adjustment for operating cashflow items (principally payments for asset retirement obligations) included in the "Capital expenditures (including discretionary)", which are combined for the GAAP reconciliation in Investing activities; an adjustment for investing cash flow items (principally distributions from equity investments and Other) included in the "Other sources/(uses), net", which are combined for the GAAP reconciliation in Operating activities, and ; an adjustment for financing cash flow items (principally payments for financing fees) included in the "Other sources/(uses), net", which are combined for the GAAP reconciliation in Operating activities.

FFO to Debt Calculation
Duke Energy Corporation
(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 6,634	\$ 6,817
Working capital adjustment (1)	740	(394)
Capitalized Interest	(128)	(100)
CR3 securitization adjustment	(53)	(35)
Other	20	19
Funds From Operations	7,213	6,307
ARO spend	571	608
ARO spend, net of tax at 38%	354	377
FFO exc. coal ash spend (net of tax)	\$ 7,567	\$ 6,684
Notes payable and commercial paper	\$ 2,163	\$ 2,487
Current maturities of long-term debt	3,244	2,319
Long-term debt	49,035	45,576
Purchase accounting adjustments	(2,416)	(2,671)
CR3 securitization	(1,217)	(1,279)
Other	192	(125)
Total Debt	\$ 51,001	\$ 46,307
FFO / Debt	15%	14%
(1) Working capital detail, excluding mark-to-market		
Receivables	\$ (83)	\$ (372)
Inventory	268	272
Other current assets	(446)	(220)
Accounts payable	(204)	296
Taxes accrued	149	236
Other current liabilities	(424)	182
	\$ (740)	\$ 394

FFO to Debt Calculation**Duke Energy Carolinas**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 2,634	\$ 2,976
Working capital adjustment (1)	(54)	(333)
Capitalized Interest	(45)	(38)
Funds From Operations	2,535	2,605
ARO spend	271	287
ARO spend, net of tax at 38%	168	178
FFO exc. coal ash spend (net of tax)	\$ 2,703	\$ 2,783
Current maturities of long-term debt	\$ 1,205	\$ 116
Long-term debt	8,598	9,187
Long-term debt payable to affiliated companies	300	300
Notes payable to affiliated companies	104	-
Total Debt	\$ 10,207	\$ 9,603

FFO / Debt	26%	29%
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(1) Working capital detail, excluding mark-to-market

Receivables	\$ (9)	\$ (76)
Receivables from affiliated companies	68	(56)
Inventory	78	215
Other current assets	7	67
Accounts payable	23	(85)
Accounts payable to affiliated companies	(38)	18
Taxes accrued	86	187
Other current liabilities	(161)	63
	\$ 54	\$ 333

FFO to Debt Calculation**Duke Energy Progress**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 1,195	\$ 1,932
Working capital adjustment (1)	520	(502)
Capitalized Interest	(21)	(17)
Other	3	2
Funds From Operations	1,697	1,415
ARO spend	192	212
ARO spend, net of tax at 38%	119	131
FFO exc. coal ash spend (net of tax)	\$ 1,816	\$ 1,546
Notes payable to affiliated companies	\$ 240	\$ -
Current maturities of long-term debt	3	452
Long-term debt	7,204	6,409
Long-term debt payable to affiliated companies	150	150
Total Debt	\$ 7,597	\$ 7,011
FFO / Debt	24%	22%

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

Receivables	\$ (58)	\$ (17)
Receivables from affiliated companies	2	11
Inventory	59	12
Other current assets	(133)	84
Accounts payable	(230)	171
Accounts payable to affiliated companies	(48)	37
Taxes accrued	(39)	90
Other current liabilities	(73)	114
	\$ (520)	\$ 502

FFO to Debt Calculation**Duke Energy Florida**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 1,028	\$ 844
Working capital adjustment (1)	216	252
Capitalized Interest	(24)	(14)
CR3 securitization adjustment	(53)	(35)
Other	14	13
Funds From Operations	1,181	1,060
ARO spend	56	58
ARO spend, net of tax at 38%	35	36
FFO exc. coal ash spend (net of tax)	\$ 1,216	\$ 1,096
Notes payable to affiliated companies	\$ -	\$ 297
Current maturities of long-term debt	768	326
Long-term debt	6,327	5,799
CR3 securitization	(1,217)	(1,279)
Total Debt	\$ 5,878	\$ 5,143
FFO / Debt	21%	21%

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

Receivables	\$ (38)	\$ 23
Receivables from affiliated companies	-	21
Inventory	66	23
Other current assets	(125)	(133)
Accounts payable	(32)	71
Accounts payable to affiliated companies	(51)	9
Taxes accrued	1	(117)
Other current liabilities	(37)	(149)
	\$ (216)	\$ (252)

FFO to Debt Calculation**Duke Energy Indiana**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 969	\$ 871
Working capital adjustment (1)	(102)	132
Capitalized Interest	(9)	(7)
Funds From Operations	858	996
ARO spend	45	46
ARO spend, net of tax at 38%	28	29
FFO exc. coal ash spend (net of tax)	\$ 886	\$ 1,025
Notes payable to affiliated companies	\$ 161	\$ -
Current maturities of long-term debt	3	3
Long-term debt	3,630	3,633
Long-term debt payable to affiliated companies	150	150
CRC allocated balance	174	174
Total Debt	\$ 4,118	\$ 3,960
FFO / Debt	22%	26%

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

Receivables	\$ 59	\$ (2)
Receivables from affiliated companies	(11)	(43)
Inventory	54	66
Other current assets	28	(67)
Accounts payable	(86)	8
Accounts payable to affiliated companies	4	(9)
Taxes accrued	64	(4)
Other current liabilities	(10)	(81)
	\$ 102	\$ (132)

FFO to Debt Calculation**Duke Energy Ohio**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 479	\$ 425
Working capital adjustment (1)	15	15
Capitalized Interest	(10)	(8)
Funds From Operations	484	432
ARO spend	7	5
ARO spend, net of tax at 38%	4	3
FFO exc. coal ash spend (net of tax)	\$ 488	\$ 435
Notes payable to affiliated companies	\$ 29	\$ 16
Current maturities of long-term debt	3	1
Long-term debt	2,039	1,858
Long-term debt payable to affiliated companies	25	25
CRC allocated balance	151	151
Total Debt	\$ 2,247	\$ 2,051
FFO / Debt	22%	21%

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

Receivables	\$ 2	\$ (4)
Receivables from affiliated companies	(4)	(36)
Inventory	6	(32)
Other current assets	(22)	79
Accounts payable	12	19
Accounts payable to affiliated companies	(1)	10
Taxes accrued	11	3
Other current liabilities	(19)	(54)
	\$ (15)	\$ (15)

FFO to Debt Calculation**Piedmont Natural Gas**

(in millions)

	Years Ended	
	December 31, 2017 Actual	October 31, 2016 Actual
Cash From Operations	\$ 329	\$ 308
Working capital adjustment (1)	125	101
Capitalized Interest	12	2
Funds From Operations	466	411
ARO spend	-	6
ARO spend, net of tax at 38%	-	4
FFO exc. coal ash spend (net of tax)	\$ 466	\$ 415
Notes payable	\$ 364	\$ 145
Current maturities of long-term debt	250	35
Long-term debt	1,787	1,786
Total Debt	\$ 2,401	\$ 1,966
FFO / Debt	19%	21%

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

Receivables	\$ (40)	\$ 7
Receivables from affiliated companies	-	(7)
Inventory	-	14
Other current assets	(20)	(99)
Accounts payable	(13)	6
Accounts payable to affiliated companies	5	6
Taxes accrued	(48)	(14)
Other current liabilities	(9)	(14)
	\$ (125)	\$ (101)