Questions from Duke Energy's 2019 Annual Meeting of Shareholders
May 2, 2019

All questions are presented as submitted, unedited, both prior to and during the 2019 Annual Meeting of Shareholders. Duke Energy expressly disclaims an obligation to update its responses below.

Transcript of Questions and Answers Addressed During the Meeting

Questions answered by Lynn Good, chairman, president and chief executive officer, as moderated by Michael Callahan, vice president of investor relations.

Questions #1 – #3 Michael Callahan asked the following three questions together on the topic of climate change.

1. **Three investor-owned utilities - Xcel, Avista and PNM - have already committed to full decarbonization by 2050 or even sooner. When will Duke be doing the same?**

2. **Can we find [sic] credible Scientist to poke wholes [sic] in carbon based climate change? And get them on children's shows?**

3. **Duke Director Daniel DiMicco called the 2015 Paris Climate Agreement a "Govt $$$$ Grab" and said that reducing CO2 emissions is not a serious problem. Why does Duke believe it is appropriate for him to serve on the Corporate Governance Committee and oversee the company's sustainability and political spending efforts?***

Lynn Good:

And, you know, Mike, it's an important topic. And it's a topic that we feel very deeply about. We're committed to progress on the reduction of carbon emissions. We think climate change is important to our customers, to our communities we serve, our policymakers and our stakeholders.

And I believe our track record here is a very strong one. I talked in my remarks about the fact that we are committed to a 40 percent reduction by 2030. And that is, in fact, ahead of the pace of the Clean Power Plan requirements that you all may remember. And it's also on pace for the 2-degree scenario within the Paris accords.

So, I want you to hear clearly that we are committed to reducing carbon in a way that makes sense not only for the reliability of the system and affordability but also demonstrating progress on carbon.

We also took the step of issuing a Climate Report last year, Mike, that talks about what we believe needs to happen between 2030 and 2050. As we look over that longer-term period, we do not believe we have all of the tools necessary and are a strong supporter of research and development for carbon capture, small modular nuclear, battery technology and technologies which we may not even know of today that will help us continue to make the progress that I know we expect and our customers and our stakeholders are counting on.

So, as we continue on this journey, we'll continue to look for ways that we can talk further about climate change. We're looking at our goals as we move forward. And we'll continue to be very active in reviewing carbon across our footprint.

** Note: Additional information in response to questions above:*

As we mentioned during the broadcast, diversity makes Duke Energy stronger – at the Board level, in the leadership ranks and throughout the company – especially during this period of industry transformation. Our view of diversity goes further than traditional definitions. The Duke Energy Board is fortunate to have directors with diverse backgrounds, skills, geographic locations, experiences, qualifications and political perspectives. In operating the company for the benefit of shareholders, it would be risky to only hire, elect and/or engage people, including directors, with similar viewpoints on issues. We must be willing to listen to diverse perspectives on issues to help us reach the best decisions for customers, employees and shareholders.

Mr. DiMicco has served as a valued member of the Board since 2007. He brings extensive management, finance and risk management experience gained during his 12-year tenure as CEO of Nucor Corporation, a Fortune 500 company. Through his experiences with Nucor, a large industrial corporation headquartered in North Carolina and with operations in the Midwest, Mr. DiMicco provides valuable perspective on Duke Energy's industrial customer class as well as extensive knowledge of regulatory issues and environmental regulations in Duke Energy's Carolinas and Midwest service territories.

Duke Energy has been named to the Dow Jones Sustainability Index for North America for 13 consecutive years, including every year that Mr. DiMicco has served on the Board. The stance of our Board around carbon reduction is unambiguous. Duke Energy has reduced carbon emissions more than 30 percent since 2005. Mr. DiMicco has been a strong leader on our Board since 2007 – the majority of that time – and has supported the company's strategy to reduce carbon emissions. In addition, Mr. DiMicco has supported the company's target of achieving at least 40 percent reduction in carbon emissions from 2005 levels by 2030. You can read more about Duke Energy's carbon reduction strategy in our 2018 Sustainability Report.

Question #4

Why are we the shareholders and customers being asked to pay for bad decisions by Duke Executives concerning ash removal?

Lynn Good:

I know coal ash is a topic not only in North Carolina but throughout the U.S. because all utilities who have operated coal over many decades are working actively to close basins. And I'm very proud of the work that Duke Energy has completed in this area. And I really want to set the record straight here because I think there's so much misinformation.

We have been conducting our activities and operations around our coal plants in accordance with very strict state and federal laws and permits and oversight throughout many decades. And the impact of our operations and the nature of our operations have been well understood by every state in which we operate.

And as we sit here today, just as there have been changing expectations in environmental areas over many decades, there are changing expectations around coal ash. We complied with the

Clean Water Act and Clean Air Act back in the ‘90s and early 2000s. Now it's coal combustion residuals and, in North Carolina, the Coal Ash Management Act (CAMA).

So, our commitment to continue to close basins in accordance with these laws is undeterred. And we will do so striking a balance on ensuring safety of the environment but also looking for ways that we can complete this work in a way that's affordable to our customers.

The issue of who pays, I think, is always a topic. And I would suggest that this is something that has been through a very public process over a long period of time where the cost of a utility’s operation, our cost of service – whether it's building power plants, whether it's generating power, whether it's decommissioning – will come before a very public process in our states in front of our regulatory commissions. And it will be their decision on whether those costs have been prudently incurred in order for them to be included as part of the price for electricity.

But I'll close with our commitment, which is the safe operations of our basins and closing them as rapidly as we can in a way that ensures safety and also affordability.

Michael Callahan:

You certainly covered how we're thinking about closing the ash basins. You talked about cost recovery. Did you want to address the North Carolina determination at all around excavation?

Lynn Good:

It's certainly a topic here in North Carolina. We received an order from the Department of Environmental Quality on April 1 requiring excavation of a number of basins that had been ranked low risk by the same agency.

And we are appealing this ruling because the ruling actually requires the most extreme measure and most costly measure to close low-risk basins without incremental environmental benefit and without consideration of the additional environmental impact of leaving the basins open and excavating them over decades.

And so, I believe this is such an important topic that we should continue to have discussions on the right approach. Again, safety is paramount: the safety of the environment, the safety of our communities, but also ensuring that science and engineering are bringing us to conclusions that make sense on this important topic and keeping an eye on affordability for our customers.

Question #5

Why is there no cost of living applied to duke retirements?

Lynn Good:

I appreciate that, Mike, and I appreciate very much the retirees of Duke Energy as I talked in my remarks about their ongoing commitment not only to the company but to our communities. They have been very active in volunteer work and really supporting the efforts of the company over a long period of time.

We take our responsibilities around retirement benefits very seriously. And often when I see retirees, their advice to me is to keep the dividend coming, because many of them are also shareholders.

It is true that the retirement benefits do not adjust for inflation, but they are not intended to be all of the retirement that a retiree has at their disposal.

401(k) plans, Social Security, savings, investment in stock, whether it's Duke or others, or investment in mutual funds or other things that might be in a savings portfolio, all of that is intended to place our retirees in a position where they have about 70 percent of a working wage available to them upon retirement.

And we strongly encourage planning and have resources available to our employees so that they can plan for this important time of their life. I want to again thank our retirees. They're an important part of the Duke community and part of the legacy of the company.

Question #6

Lynn Good [sic] compensation package and the bonuses for Dukes [sic] employees is obscene. Will you change it?

Lynn Good:

Well, Mike, I appreciate that compensation is an important topic and certainly on the minds of this shareholder and I'm sure many others. The proxy season brings all of the compensation information to the table in a very transparent way.

And I would start with some of the comments that you made because compensation is really a tool that we use to make sure that we can attract and retain the talent necessary for the company to complete the strategy, to serve customers, to move forward to make the investments that are important not only to our customers but to our shareholders. And so, we spend a lot of time benchmarking, making sure that our compensation appropriately attracts and retains talent as our talent and our employees have alternatives on where they can work.

And as we think about the executive ranks, in particular, a substantial part of the compensation is tied to performance. My compensation alone, 90 percent, which means there are very high expectations around customer satisfaction, safety, stock performance, reliability of our system, ability to serve our customers in hurricanes and in other circumstances.

And if we perform well, we are compensated. If we don't perform well and don't meet those expectations, it is reflected directly in that compensation.

And so we spend a lot of time looking at this. We will commit to continue doing that with an eye toward competitive compensation but also setting high expectations that our customers and shareholders expect of us so that we have the right talent doing the right things.

And if we do that, then everyone should win. We should have a strong company, a strong balance sheet, good returns to shareholders and, importantly, reliable and affordable service for our customers.

Question #7

How many birds have been killed by Duke's solar & wind generation plants in 2018?

Lynn Good:

Mike, this question actually came in early. We opened the website for questions in advance. And so I had an opportunity to ask our renewable team how many birds have been impacted by operations in 2018.

And the answer is 250. We operate 85 sites over a very large geography, 14 states that I mentioned before. And by those standards and the scale of our operation, that take rate is low.

And it is actually lower than where we were in 2017 because we continue to make investments with new technologies looking for migratory bird patterns to minimize the impact of our operations on that element of the environment. In fact, using some of the technologies, we will suspend the operation of the wind farms if we're in certain seasons and certain times when the avian risk is greater.

But I think this underscores a really important point, which is that every form of generation – solar, wind, natural gas – all of them, have an environmental footprint. And our responsibility, and our commitment and promise, is that we will address that environmental footprint in a responsible way to minimize the impact. And that's certainly what we're doing with our wind and solar assets.

Question #8

How is Duke Energy addressing the issue of "hardening the system" to protect and prevent damage from a CME [coronal mass ejection] event or a EMP [electromagnetic pulse] attack?

Lynn Good:

Mike, as I listen to that question, we have engineers who are shareholders as well and appreciate that question because it's been a topic around the impact to the electric grid of these types of events.

And what it's really speaking to is how resilient, how resilient is our system and are we prepared for a series of events that could unfold over time?

In fact, it's been such an important topic for our industry that the industry's research arm, the Electric Power Research Institute (EPRI), has just released a report specifically testing the resiliency of our grid and making recommendations on investments and steps that we can take to mitigate. And so we have been very involved in that study and have already begun making investments in order to minimize impact.

But this really speaks again, I believe, to a broader issue, which is that the energy delivery system is the system that we all count on for reliable energy. And it has more demands on it today than it ever had with cybersecurity, physical security risks, with storm hardening and

resiliency. We learned a lot from the hurricanes. Also renewables and renewables being attached to our system in a way that creates new challenges for it.

And then, of course, as we continue to look for ways that we can enable new customer information and interaction, that all impacts the delivery system. So Duke has been spending a lot of time thinking about how can we prioritize investments that deliver value to our customers and also strengthen that grid over time.

And so we have plans in every one of our jurisdictions specifically focused on investing in the grid to address just those concerns that the shareholder raised.

Question #9

I would like to know the percentage of women and employees of color at the management and director level.

Lynn Good:

Diversity and inclusion at Duke Energy is foundational to how we think about preparing and sustaining our company into the future. And as I think about an industry that's going through transformation, having diverse points of view at the table and diverse teammates is going to do nothing but make us better.

But I would also say that it's a journey, and I'm not sure we'll ever get to exactly where we want to be because it's an ever-moving and ever-important topic. And so as I look at Duke today about 23 percent of our workforce is female. And a little less, about 18 percent of our workforce is a traditional definition of minority.

And those percentages are ones we are working actively on to get to 20 and 25 percent by the year 2020. And then we're working hard to think about where we should be by 2025. And we have a number of initiatives focused on the pipeline of talent coming into our company so that we have an opportunity to achieve success in that area.

At the leadership level, we're slightly below those percentages. So for women, instead of 23 percent, we're at 20 percent. Minorities, instead of 18 percent, we're closer to 12 percent. And we're not satisfied with that.

That's an area that the pipeline is particularly important so that we can continue to progress both minorities and women and create the opportunities for the diverse talent that we need to be successful in this period. So more to come on diversity and inclusion. It's front and center for the leadership of Duke Energy.

We've also been focused on diversity and inclusion at the Board level.

So we've had an opportunity to add a couple of additional Board members as we've refreshed our Board and had some retirements and have welcomed two women, two new women, to the Board. And at the Board level we're at about 40 percent diverse across those various areas.

And so that also remains a focus. Not only at the employee base, but the leadership and governance of the company.

**Note: Additional information in response to question above:*

For clarification, Duke Energy's diversity and inclusion goals are for 25 percent of our workforce to be female and 20 percent represent a traditional definition of minority by 2020. Also, our diversity statistic for women in management is 18 percent.

Question #10

According to Duke's 2017 Sustainability Report, the company had two deaths in 2017 and two "life altering injuries" to workers in its contracted out workforce. Further, according to workzonesafety.org, there were a total of 28 fatalities in work zones in the state of Indiana in 2017. Considering these high numbers of workplace incidents, what is the company doing to protect flaggers at it's [sic] operations in Indiana?

Lynn Good:

On the specific part of that question around the flaggers, I hear maybe in that question some personal outreach, maybe something, a loved one may have been impacted. And I don't have the statistics and specifics on Work Zone. So, Mike, I'd like to take an assignment on that as we answer that question on the website we'll look into the specifics around Indiana.*

But I do want to take a moment to talk about safety broadly because your comments about it being foundational to the success of Duke Energy could not be more true or more emphasized in the culture of Duke.

So for us, safety is foundational. We don't do anything until we ensure that we're doing it in a safe manner. And I made a comment in my remarks about Duke operating at an industry-leading level on total incident case rate, which is a key measure of safety.

But as mentioned by the shareholder, we have not made the progress that we'd like to make on more serious injuries. And 2018 was an indication of that. And so we are redoubling, as we always do, our focus on serious injuries as well as continuing to create a safe work environment for our employees.

And that commitment will never change. It is front and center every time my staff meets on a Monday morning, the very first thing we talk about is safety. The safety of our employees, the safety of our contractors who are working on our system and then the safety of the environment, and any impacts that we've had to the environment over the preceding week. So that is an unwavering commitment and a part of the culture and fabric and values at Duke Energy.

**Note: Additional information in response to question above:*

Safety is our top priority at Duke Energy and we've taken steps in Indiana, and every other jurisdiction we operate in, to improve the safety of our flaggers. Over the past few years, we have reworked our Work Zone Safety procedures for employees to improve our flagging activities – going beyond federal and state compliance in every jurisdiction.

Flaggers are key players in active work zones. They play an important role directing traffic around Duke Energy trucks and field personnel. To prioritize their safety, we look at risk as part of our Work Zone analysis and eliminate flagger exposures, when possible. Among other things, we use larger cones and have trained employees to position themselves to use the truck as a

barrier.

But we continue to look for ways to improve. Right now, we're updating our procedures again with the input of flaggers and field personnel to put operational learnings to work.

Safety remains our No. 1 priority and we don't take that commitment lightly.

Question #11

The adoption of solar energy resourcing must require an evaluation of trade-offs. Does, and how is, Duke Energy evaluating the apparent consumption of agricultural land -- especially in Eastern NC-- versus the usefulness of that solar power in meeting other environmental questions?

Lynn Good:

It's interesting in the question, Mike, the reference to land is another environmental impact.

And one of the environmental considerations that we often hear about is the land usage of solar, and whether that land usage is the appropriate one. And in Duke's – and I think about my responsibility and the way we think about it, we are continuing to add renewable energy consistent with what is economic for our customers, consistent with the laws and expectations in each of our states, consistent with where our policymakers, customers and stakeholders are leading us.

And I think that is a topic that is going to receive increasing focus over time on how much. How much land? How much solar? To bring together a balanced portfolio that achieves those carbon reductions that are so important, achieves diversity of supply so that we continue to maintain an eye on reliability and also a focus on affordability.

So we are focused on how to bring solar in in a way that meets those objectives. But I think as a larger policy issue our states will need to address how to think about how much.

And we would be delighted to be a part of that conversation because we think it's an important one as we continue to make progress to 2030 and beyond – getting the right portfolio of resources to match environment, reliability and affordability.

And there's no perfect solution to any of this. If we had the perfect solution, I think we'd all be executing toward it. But we have changing technologies. We have changing expectations. We have considerations around price and reliability. And one of the things that we think about in the Carolinas, we also need to put renewables close to where people live or we need to build transmission to make that happen. So those are all trade-offs and considerations that we have to keep front and center.

Question #12

In the interest of transparency and accountability, I am wondering why the Board would be against the proposals 4, 5, 6 and 7 and recommend Shareholders reject them? Does the company have something to hide in keeping this information secret? Thank you.

Lynn Good:

Those proposals I would share with you are reviewed very closely, not only by management but by our Board, our Corporate Governance Committee and then the full Board. And I believe if you look at our track record at Duke Energy, we have worked to be responsive to shareholders in many of these areas.

And a couple of things that I would point to is we have improved and increased our transparency around political contributions and lobbying expenses consistently. And we believe that information is available and useful and front and center for customers and shareholders.

And if at any point there are questions, our investor relations team is available if you're having trouble finding your way through those disclosures. So we evaluated it within the context of what we're providing and feel like we're really being responsive.

On the issues of climate change, coal use and the variety of other items that came into some of those proposals, I would point shareholders to two important documents. A Sustainability Report that was recently issued that covers a range of issues around sustainability and how Duke Energy thinks about it. And then the Climate Report that we issued last year that talks about our aspirations and goals through 2040 and then beyond – or 2030 and beyond.

And I think those documents, taken together, provide a very robust disclosure on all of those topics that could be useful to shareholders who have particular interests in that area.

Question #13

How is Duke Energy using the 2017 Tax Cuts and Jobs Act in its business? And what about the abundant tax credits for renewable generation? When will shareholders see those tax benefits?

Lynn Good:

Tax reform for a utility is a little bit different than what you might have seen with other commercial companies who have perhaps used it for additional investment or used it for employee bonuses or a variety of things.

For Duke Energy, taxes are part of our cost of service. And so our customers have seen extraordinary benefits and will continue to receive benefits as those lower tax rates and the liabilities that we would have paid at a higher rate are returned to customers. And as we work through that, over time, $900 million of benefits will go to our customers through reduced electric rates and reduced electric prices.

And we have worked with our regulators to not only deliver those benefits timely to customers but also to make sure that the credit strengths of the utilities is maintained at the same time.

So you also saw us in 2018 issue $2 billion of equity to prepare the balance sheet for the impacts of tax reform. And as it pertains to renewables, we continue to be an active investor in renewables. And the renewable tax credits actually are used to reduce the amount of taxes that we pay, and that will continue to be the case for several years to come.

Answers to Questions Not Asked During the Meeting

Question #14

My husband had solar panels installed on the roof of our house sometime ago. They generate a surplus of power every month, which goes into the "system." At the end of May each year the total excess generated for the year is zeroed out with no compensation by Duke, not even a thank you. Why doesn't Duke have some sort of compensation in place? We submitted this question to Duke once before and eventually received an evasive response, essentially saying you're not legally required to do so. An ethical company would have some sort of compensation in place.*

In North Carolina, net metering rules are designed to allow customers to meet their personal energy needs in a cost-effective manner. But, it is not designed to be a profit generator for North Carolina customers using the Duke Energy grid.

For context, in North Carolina, if a home with rooftop solar generates excess power one month, it rolls over with the intent that it can credit a month where there may be a deficit. Annually, we "reset" the excess of generated power.

**Note: The shareholder that asked this question self-identified as being from North Carolina.*

Question #15

Duke customers are being badgered to change our billing from Duke to their company. It is not unusual to receive 4 robocalls in one day. Can you stop these companies? Thanks

Unfortunately, we continually hear from Ohio customers – who are in a state where they can choose their energy service provider – about the misleading, offensive and even illegal tactics that some companies use to entice them to sign up for their energy supply offers. Let us assure you that this is not Duke Energy, but rather energy marketers operating in the state.

Although there is little we can do to stop these robocall campaigns, we're in regular contact with staff at the Public Utilities Commission of Ohio about the marketing and sales practices of third-party energy companies. We encourage our customers to report any concerns you have, and as always, rely on the Better Business Bureau as a great resource.

Question #16

Compliment to line workers at the Bonner Springs Kansas rodeos and to the Duke decision during rodeo time to restore storm outage customers first.

Thank you. Our best lineworkers at Duke Energy and its legacy companies have showcased their talents at the International Lineman's Rodeo in Bonner Springs, Kan., for more than 20 years. While the event is great training for our lineworkers, when severe weather threatens our service areas, our customers come first and our lineworkers don't attend the rodeo. Our lineworkers are preparing to compete at this year's rodeo in Kansas and hoping to beat the 2017 record of 18 awards.

Question #17

I would like to see the share split...Can you discuss possible share splitting....

We periodically review whether our share price and number of shares outstanding are comparable to peers. We also consider whether our share price is trading in a range that is accessible to our retail shareholders. Based on benchmarking of peers in our industry, we believe DUK's current share price in the $90 per share range achieves this goal.

Question #18

How many shares voted in favor of the shareholder proposal on political spending disclosure, Proposal 4? How many shares voted in favor of the shareholder proposal on lobbying disclosure, Proposal 5?

With respect to Proposal 4, regarding political contributions, the Broadridge Report shows that the votes cast were as follows:

- For: 162,448,846
- Against: 291,577,790
- Abstain: 6,265,960
- Broker non-vote: 173,193,520

With respect to Proposal 5, providing an annual report on the Corporation's lobbying expenses, the Broadridge Report shows that the votes cast were as follows:

- For: 166,680,628
- Against: 288,370,875
- Abstain: 5,241,093
- Broker non-vote: 173,193,520

Question #19

Do you allow employees who hold important positions in Duke Energy to hold similar positions in other companies?

While outside employment is not prohibited in all cases, it cannot interfere with an employee's on-the-job performance or availability for emergency or overtime work. It also cannot put the employee in a position in which they could share Duke Energy's confidential or proprietary information. Duke Energy employees are required to obtain approval prior to performing work for any other business that is similar to their current job responsibilities at Duke Energy.

Duke Energy's Code of Business Ethics requires employees to avoid any actual or perceived conflict of interest. A conflict of interest could arise when an employee must choose between what is in their best interest and what is in the best interest of Duke Energy. Employees are encouraged to disclose any situation that could potentially be misinterpreted as a conflict.

Question #20

Why does executive compensation exceed a ratio of 100:1 of the lowest compensated full time employee?

Please see response to question #6.

** Note: Additional information in response to questions above:*

More information on compensation can be found in the Compensation Discussion and Analysis section of Duke Energy's 2019 Proxy Statement which was filed with the Securities and Exchange Commission (SEC) and accompanies shareholder voting materials for the Annual Meeting. The 2019 Proxy Statement is also posted to our website and this section begins on page 36.

Question #21

There needs to be a clear explanation of the details of the proposals. What is the proposal regarding political contributions? You don't tell us that in the mailing or online. So I don't know what I'm voting on. I need a brief explanation in order make an informed vote. Please consider doing this with your proposals going forward.

Please see response to question #12.

** Note: Additional information in response to questions above:*

Details of the proposals and the Board's response to those proposals are included in Duke Energy's 2019 Proxy Statement which was filed with the Securities and Exchange Commission (SEC) and accompanies shareholder voting materials for the Annual Meeting. The 2019 Proxy Statement is also posted to our website. Shareholder proposals are printed in our Proxy Statement just as submitted by the shareholder, in accordance with SEC rules.

Question #22

Why does the board recommend against providing a report on lobbying expenses? Thank you in advance.

Please see response to question #12.

Question #23

Will Duke Energy ever consider sharing some of its financial success with their retired employees?

Please see response to question #5.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include ''anticipate,'' ''believe,'' ''intend,'' ''estimate,'' ''expect,'' ''continue,'' ''should,'' ''could,'' ''may,'' ''plan,'' ''project,'' ''predict,'' ''will,'' ''potential,'' ''forecast,'' ''target,'' ''guidance,'' ''outlook,'' or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements. Accordingly, there is no assurance that such results will be realized. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see our Annual Report on Form 10-K for the year ended December 31, 2018, and Quarterly Reports on Form 10-Q filed with the SEC and available at the SEC's website at *sec.gov*. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made. Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.