Questions from Duke Energy's 2020 Annual Meeting of Shareholders
May 7, 2020

All questions are presented as submitted, unedited, both prior to and during the 2020 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, chair, president and chief executive officer, as moderated by Bryan Buckler, vice president of investor relations.

Question #1

Since Duke Energy is an all-inclusive corporation and considering the company made a monetary contribution to the Democratic National Convention in 2016, will Duke Energy be making the same monetary contribution to the Republican National Convention in 2020? If not, could you explain the rationale?

Lynn Good:

Thank you, Bryan. As this question mentions, we do support many events that showcase the cities and the states in which we operate and give them an opportunity to be on the national stage.

And the Republican National Convention will be a great opportunity to bring economic development to our headquarters city here in Charlotte, North Carolina. That's why we are a part of a large bipartisan group of community and business leaders supporting the 2020 Republican National Convention.

When the Democratic National Convention was held in Charlotte in 2012, it provided a huge economic boost drawing more than 35,000 visitors and generating an economic impact of over $150 million. You can expect that as we continue to participate in this event that our contribution to the RNC will be commensurate with other large companies in Charlotte and we hope that economic development continues to be a top priority not only for our company but for the regions in which we serve, particularly as we face a bit of an uncertain and challenging time.

But given the current impact of the virus, we are monitoring the ongoing developments and we're working with the city and organizers as planning continues for the Republican National Convention.

Question #2

Very disappointed that you chose to reward the CEO with an outrageous salary increase with the tax break by Trump rather than clean up coal ash ponds...then ask for a rate increase because you can't afford to clean them up without it. You wouldn't have done anything had it not been forced on you by the courts. Why? I cannot believe that you didn't have an engineer on staff who knew those ponds needed to be lined. You took a shortcut & got caught. Now you refuse to accept responsibility & want your customers to pay for it. I'm embarrassed to be a stock holder & don't know how to answer when I am asked "why?" by friends who are your customers. So why?

Lynn Good:

Well, Bryan, there's a lot in that question and statement, and unfortunately, a number of things are inaccurate. So, I'd welcome the opportunity to respond to the question and I'm just going to take them in order.

The first issue that was raised is the corporate tax cut and I think it's really important for our shareowners to understand that all of the benefit of the corporate tax cut will be and is being used to provide savings to our customers. It's been directly refunded and used to offset the impact on the price of electricity throughout all of our jurisdictions.

Taxes are considered to be a part of our cost of service and therefore, our customers are receiving the full benefit of the corporate tax cut.

On the topic of our historic practices in managing coal ash, I also strongly disagree with the characterization of our operations. Duke Energy has always had safety as our very highest priority. We accept responsibility for our operations, we always have and we always will.

And we managed our ash basins over decades in line with state and federal regulations and under very strict oversight of the states in which we operate. And I know this because I've looked not only at the companies that are a part of Duke Energy today that came together under mergers but as I also understand the storage practices of our industry peers.

And throughout that period, the environment remained well-protected as a result of our operations. But the laws have changed, the regulations have changed.

There are new regulations. Our industry is experienced with new environmental regulations – Clean Air Act, Clean Water Act, now Coal Combustion Residuals – and we are responding to those regulations in a very deliberate, thoughtful and industry-leading way.

We have reached a settlement in the state of North Carolina reaching agreement with the regulators on the methods to be used to comply with these regulations recognizing that the regulations themselves include a variety of options. We have to choose options that make sense to go forward.

And we have worked hard on that agreement coming together in a way that makes sense for North Carolina residents and businesses, the regulators, the environment and our company. And this agreement will save our customers $1.5 billion compared with the original order that we received from the state.

So, finally, on the question of who pays for basin closure, it's also important to recognize that the operation of our power plants, the construction, the retirement, the decommissioning and the closure of ash basins are all considered to be part of normal operations.

And those costs will be closely reviewed as part of a very public process by the utility commissions to regulate our company and it is those commissions who will determine if the investments we have incurred are prudent and if they are appropriate for customers to pay for as part of the overall cost of the electric service we provide.

So, I'd like to close by saying I am very proud of the work that Duke Energy has done. I'm very proud of our commitment to safety. I'm very proud of our industry-leading approach and we will continue to operate our company in a manner that protects people and the environment.

Question #3

What are you doing to improve the company, and raise the dividend?

Lynn Good:

Bryan, I appreciate that question because I know how important the dividend is to our shareholders. It's a stable source of income and one that they have counted on for a long time.

I mentioned in my remarks that we have been paying a cash dividend for 94 consecutive years, which is a track record that we're particularly proud of. And focusing on growing our company is a priority. We have been doing a lot of work over a long period of time to position Duke Energy as a low-risk regulated investment and since 2013, those regulated utilities have grown at a compound growth rate of 5 percent.

And we have also worked on transitioning the portfolio of businesses that we own to continue to drive regulated returns. We exited our international operations and our Midwest merchant generation and added the Piedmont Natural Gas business, which has been an extraordinary asset to our company and delivers consistent and very valuable growth.

We also operate under a clear long-term strategy that is focused on delivering value to customers and to shareholders and we are investing in our energy delivery system and clean energy and in natural gas infrastructure. So, our focus remains on delivering a stable 8 to 10 percent total shareholder return, which includes low-risk regulated growth as well as a growing dividend, and that’s the commitment we have to our shareholders with a track record to demonstrate that commitment.

Question #4 and #5

Why are peers of a similar size planning to reach ambitious climate targets through much higher penetration levels of renewables and storage, while Duke claims such plans are not feasible? Given the considerable climate impacts of natural gas in addition to other market and technological forces driving the need to reduce gas consumption, why is Duke continuing to plan further investment in gas assets? Given the high level of risk associated with whether or not the Atlantic Coast Pipeline should or will be built, would Duke consider pulling out of the project?

Our company's 2020 climate report assumes substantial build-out of fossil fuel assets in the next 10 years & continued reliance on natural gas plus as-yet-undeveloped "zero emitting load following resources" to provide more than 1/3 of electricity through 2050. Given that these proposals are at odds with the economic advantages of solutions prioritizing renewables, storage, and energy efficiency, what steps have independent members of the board taken to independently verify management's proposed net-zero pathways?

Lynn Good:

Thank you, Bryan. There are a number of questions in there and I'd like to try to address renewables, natural gas, research and development and then the role of the board.

And as Bryan indicated early on, we will also post complete answers to all of these questions on the Portal following [the meeting] in the event that I overlook any elements of the questions. I think, Bryan, what strikes me about these questions is there's a lot of agreement between those posting the questions and the company and a lot of passion around the goal of reaching net-zero by 2050.

So, what the questions are really exploring is what are the tactics that we ought to be using in order to achieve that objective. And I'd like to emphasize that at Duke Energy, we have a responsibility that some others in the conversation do not have and that responsibility is to maintain reliability and to maintain affordability.

And affordability is something that is on my mind front and center right now as we are challenged with the COVID-19 event and the incredible impact that the price of electricity and electricity in general is having on our customers. And so, I'd first like to talk about [our] investment in renewables and commitment to carbon reduction because I believe what may be overlooked in this conversation is the extraordinary progress that the company has made.

Our carbon emissions are down 39 percent. That 39 percent is well above the pathway to the Paris Accord and well above – a decade ahead – of where the Clean Power Plan under President Obama would have directed the industry.

Renewables – we have 8,100 megawatts that we own or purchased with a commitment to double that by 2025. And if you look at our charts around 2050, you will find over 55 percent of the capacity of Duke Energy being renewables and storage. Another 10 percent being nuclear carbon-free energy.

I also think it's important when you compare us to industry peers that I believe in this march to reduce carbon, there will be geographic differences. So, in the southeast, in the near term, the renewable that is available to us is [solar]. I'm talking about the Carolinas and Florida.

We do not sit in an area with abundant wind like other utilities who may be operating more fully in the Midwest. And so, having a mix of renewables to achieve more rapid reduction early in the period is often an opportunity presented to those who have very abundant wind resources.

We also see the benefit of energy efficiency and I'm proud to say that Duke Energy is a leader in energy efficiency having been ranked first and second, Duke Energy Carolinas and Duke Energy Progress, in the southeast for our extraordinary commitment to energy efficiency and that will not change. We'll continue to build on those results over the next three decades.

When we talk about natural gas, we see natural gas as being an important part of achieving carbon reduction and natural gas infrastructure is necessary in order to use natural gas in this way. And I am disappointed to learn that the tool of natural gas is under such assault because it's important as we continue to retire coal, as we continue to add more renewables and offer resources like natural gas to match that intermittency, and we do see that the role of natural gas over time will change from being a baseload resource which we're using it for today to being more of a peaking resource – giving us the flexibility that we need to match load and to match demand.

We, in our recent Climate Report, actually explored with very complete modeling what it would look like if we pulled natural gas out of the picture and there are some extraordinary statistics in the report that I would strongly encourage others to look at.

If we pull natural gas out of the picture, our model says that by 2030, we would need to install 15,000 megawatts of storage, which is a little over 17 times the amount of battery storage installed in the U.S. today, all in our service territories. And this would represent an incremental cost to our customers three to four times above the plan that we have outlined with a more balanced set of resources.

And I think there is more to learn on battery storage. We believe that more innovation is necessary around that technology for it to realize its full potential over the next three decades.

And that leads me to the concept of research and development. This notion that we include in our Climate Report about load-following zero-emitting resources, we believe that there will continue to be innovation and we will encourage and advocate for it because we believe that more solutions need to be developed in order to get to the net-zero goal.

This [includes] carbon capture, advanced nuclear, hydrogen, and longer-lived battery storage, which are necessary to achieve the goal that we all seek, and we put that forward, again, based on very detailed modeling and the unique responsibility that we have around reliability and affordability.

And finally, the role of the Board – our Corporate Governance Committee, composed entirely of independent members of the Board, is responsible for oversight not only on climate but on sustainability in general. We frequently bring in outside speakers, experts and organizations to discuss climate change, to discuss modeling and other techniques, and to talk about this very important conversation and how the company should be mitigating risks.

So, this is a front-and-center discussion for us. Our commitment is to be transparent. We share the goal of net-zero by 2050 but also recognize that a balanced set of solutions are going to be necessary. There is no silver bullet to this. It cannot be solved in the next six months. And our commitment is to continue to make progress for our customers, our communities and for our shareholders.

Question #6

Is Duke Energy addressing the issue of hardening all systems to ensure adequate protection from an EMP event or solar CME?

Lynn Good:

Yes, Bryan. Those questions are really highlighting the importance of protecting the electric system from events that could occur. And I would say to you as I look at the investment priorities of Duke Energy investment in modernizing the grid, which includes various protection strategies, hardening, resiliency – it is one of our very highest investment priorities.

And the investments that we're making are intended to address a range of potential issues from hurricanes to severe storms, including EMPs, and even the potential impact of the CME. So, we take all of this very seriously.

And I would go on to say that in addition to hardening and resiliency, we see investment in the energy delivery system as also enabling the renewables I just spoke about and also enabling solutions for our customers who are counting on that delivery system for their needs as well.

So, we see investment in the energy delivery system as a high priority. We are pursuing it in absolutely every jurisdiction in which we operate and are making good progress across our system.

Question #7

What percent of employees can do most of their work from home?

Lynn Good:

That's a good question. I mentioned in my remarks 18,000. So, of Duke Energy employees, it's over 60 percent, and the way we approached this was to evaluate whether an employee's work could be accomplished remotely and, if so, we enabled it.

And it's a real credit to our technology team, our cyber team for the work that they did to move employees to remote locations very quickly. We have also moved our call center specialists there as well and other important roles in the organization to support our customers.

And so, that is in place and has been in place since mid-March and we will be very thoughtful and deliberate about a return to work for Duke Energy, which we see playing out over multiple months. We are also evaluating any revisions to our remote work policies as a result of what we've learned in this event.

Question #8

Please explain why the Board recommends against reporting on Duke Energy's political contributions, expenditures, and lobbying payments to the shareholders?

Lynn Good:

Bryan, the position of the Board and the company is that we do provide numerous disclosures around these very issues, political expenditures, policies and procedures. We recognize and believe it is very important for our company to be involved in public policy just like the conversation we have had today.

Climate is front and center. Renewables are front and center. There are a variety of reasons why we need to be a part of the dialogue on behalf of our customers and on behalf of our shareholders.

We adhere to the highest standards of ethics in all of our government affairs. We have significant management and board oversight and approvals necessary before expenditures are made in these areas. And for several years, we have provided a political expenditure report, which we post to our website twice a year.

And beginning with the report in the second half of 2018, we have expanded our disclosures which include contributions to candidates and parties made during the year, and trade associations, the portion of their fees attributable to lobbying that exceeded $50,000, and also contributions from our PAC.

So, we believe this information provides a great deal of transparency to shareholders on Duke Energy's involvement. And, of course, if there are ever questions on the disclosures, our investor relations team is available to answer those.

Question #9

Has company ever consider a stock splits to make it easier and economically for average person to invest in company

Lynn Good:

I appreciate that question because I've had it a number of times and we certainly monitor if it makes sense to split. It was actually a few years ago that we did a reverse split.

And so, we're not evaluating it right now. I think at $80.90, it's still a very affordable price. And we appreciate the investment that our shareholders make in Duke Energy and are satisfied at this point. But I won't take it off the table. We may consider it at some point in the future.

Answers to Questions Not Asked During the Meeting

Question #10

How has the coronavirus affected at work personnel? What percentage of your personnel are working remote?

Please see answer to question 7.

Question #11

Why won't DE enhance its reputation and credibility by reporting to its shareholders about the company's lobbying spending and political contributions? Shareholders could comment on the spending, but management would still be making the decisions, and the company would gain from its transparency.

Please see answer to question 8.

Question #12

Will the COVID-19 impact the current dividend rate this year?

COVID-19 has been an unprecedented challenge for the world. And no industry is immune to the financial and economic impacts of this pandemic.

However, we understand the value of the dividend to our investors. Approximately 40 percent of whom are our retail investors and many of them count on our dividend as a source of income during these uncertain times. 2020 marks the 94th consecutive year of paying a quarterly cash dividend.

Throughout the past nine decades, including during the financial crisis of 2008 and 2009, we have protected our quarterly cash dividend. Our excellent businesses that operate in some of the best jurisdictions in the country give us confidence to continue paying and growing the dividend.

Duke Energy's Board of Directors will have all of those very important factors in mind as it makes the final determination regarding the dividend every quarter, just as it always does.

Question #13

Will the company continue to stand by the dividends even if the coronavirus vaccine may not be available for 18 months?

Please see answer to question 12.

Question #14

Are there any plans to stop paying the dividends at the current rate?

Please see answer to question 12.

Question #15

Will company stand behind the dividend in the economic environment due to the coronavirus and vaccine possibly not available for 18 months?

Please see answer to question 12.

Question #16

The Duke Energy Corporation should consider providing an increase for retirees. I see where they will be voting for increases for Corporate Executives.

It is true that the retirement benefits do not adjust for inflation, but they are not intended to provide all of the retirement income that a retiree has at his or her disposal. 401(k) plans, Social Security, savings, investments in stock and mutual funds are intended to place retirees in a position where they have about 70 percent of a working wage available to them upon retirement. Duke Energy strongly encourages financial planning and has retirement resources available to its employees so that they can prepare for this important time of their life.

Question #17

How much is the compensation for the executive officer?

Information about executive compensation can be found in the Compensation Discussion and Analysis section, beginning on page 36, of Duke Energy's 2020 Proxy Statement, which was filed with the Securities and Exchange Commission and accompanies shareholder voting materials for the Annual Meeting. The 2020 Proxy Statement is also posted to our website.

Question #18

Why is the company not rewarding specific business unit performance? Making all the goals link to financial performance during this unprecedented time seems unreasonable. Will you adjust targets post COVID-19?

The short-term incentive plan is comprised of four separate components, including financial performance, operational excellence, customer satisfaction, and individual or team goals. The team goal component typically has business specific goals and measures. So, every year we determine incentive compensation in part based on specific business unit performance. The COVID-19 pandemic has presented new challenges for our company, but it is too early to determine how it will impact our year-end results.

Question #19

How in the heck are we supposed to vote without any information, so I vote against anything there for? Get someone in there that IS NOT affiliated with another company, delete the good-old-boy group and have a fresh group to run the company.

Our 2020 Proxy Statement, which accompanies shareholder voting materials for the Annual Meeting of Shareholders is located on our website and filed with the Securities and Exchange Commission, provided detailed information on each management and shareholder proposal on which shareholders were asked to vote. In addition, our Investor Relations team is available to help shareholders access information or answer any questions.

You can find this information and how to contact our Investor Relations team by visiting our website: https://www.duke-energy.com/Our-Company/Investors

Question #20

Question for Director DiMicco: You have a long history of supporting climate change denial organizations and opposing climate policies -- do you still believe that C02 emissions are not a "serious pollution problem" as you stated in 2015?

The Duke Energy Board of Directors welcomes and values diversity, including a diversity of thought and opinion. This rich discussion makes for stronger and better decisions on behalf of our investors and customers. As a member of the Board's Corporate Governance Committee, which is responsible for the oversight of sustainability risks, Mr. DiMicco assisted in the development of Duke Energy's recent emissions reductions goals for 2030 and the net-zero by 2050 goal. Mr. DiMicco, like all the members of the Board, fully supports the company's announced climate strategy.

Question #21

How many votes were cast FOR and AGAINST each agenda item of the meeting? Alternatively, what percentage of votes were cast in favor of each agenda item?

A detailed breakdown of the votes for each agenda item was filed with the Securities and Exchange Commission on a Form 8-K on May 13, 2020. You can find the full results by clicking here: https://dukeenergy.gcs-web.com/static-files/dec0fa30-5efd-4cf5-adfe-f96832312a05

Question #22

Independent analysis from leading clean energy advocates has demonstrated that Duke's net-zero transition plan relies on unnecessary fossil gas buildout and imaginary technological solutions instead of already proven renewable technologies -- will the independent members of the board commit to meeting with advocates within the next three months to ensure that management is not promoting risky business-as-usual solutions?

Duke Energy's Board regularly meets with independent experts, including on the issue of climate risk, and values the additional insights they are able to obtain from those discussions. Members of the Board have also engaged with stakeholders and shareholders on the issue of climate risk, such as the Climate Action 100+, a coalition of over 450 investors, and are committed to continuing this dialogue, both in the near term and long term.

Question #23

Please disclose preliminary voting results at the meeting, including votes For, Against and Abstain, on all shareholder proposals. Thank you.

The preliminary voting results for each shareholder proposal were announced during the online Annual Meeting. See below for a more detailed breakdown of the preliminary results.

With respect to Proposal 4, regarding a request for an independent board chair, preliminary votes were cast as follows:

- For: 176,758,221
- Against: 263,700,021
- Abstain: 31,216,110
- Broker non-vote: 155,389,962

With respect to Proposal 5, regarding the elimination of supermajority voting provisions in the company's certificate of incorporation, preliminary votes were cast as follows:

- For: 403,476,959
- Against: 24,853,599
- Abstain: 43,336,220
- Broker non-vote: 155,397,535

With respect to Proposal 6, regarding the call for a semiannual report on Duke Energy's political contributions and expenditures, preliminary votes were cast as follows:

- For: 181,428,051
- Against: 285,297,692
- Abstain: 4,948,609
- Broker non-vote: 155,389,962

With respect to Proposal 7, seeking an annual report on Duke Energy's lobbying payments, preliminary votes were cast as follows:

- For: 198,150,246
- Against: 268,604,693
- Abstain: 4,919,413
- Broker non-vote: 155,389,962

Question #24

How many shareholders are attending?

Approximately 400 shareholders and guests attended the 2020 Annual Meeting of Shareholders – either through the meeting webcast or the audio conference line.

Question #25

How many employees contracted COVID-19?

We are closely monitoring COVID-19 and taking precautions to protect the health and safety of our 29,000 teammates. As of May 22, at 7 a.m., 47 Duke Energy employees had been diagnosed, and to date 38 of those employees have been cleared to return to work. These employees are under the care of medical professionals, and we wish them a quick recovery and offer our full support while respecting their privacy during this time.

As we learn about confirmed or potential COVID-19 cases, we're taking a number of steps, including communicating with teammates who may have had close contact. We're also thoroughly cleaning impacted work areas and common spaces with CDC-approved disinfectant.

Question #26

Is there promising new technology to protect employees from the spread of Covid-19

We continue to monitor updates from the Centers for Disease Control and Prevention but are not aware of specific technology updates at this time.

Employee health and safety remain our top priority during this response. We've taken significant steps to help keep our team safe, including shifting approximately 18,000 employees to remote work in March. For teammates in critical roles that could not work remotely, we deployed personal protection equipment, increased disinfecting between shifts, initiated split operations between primary and alternate locations to limit exposure, placed additional restrictions on those accessing our facilities and implemented social distancing policies. To help keep our workers safe, we implemented temperature screening for critical facilities, such as generation plants, control rooms and more, and our teammates are required to wear face coverings or masks if they are not able to maintain social distancing while working. We also offer voluntary COVID-19 testing, through a licensed health care provider, for specific employees in critical roles.

We will continue to work closely with federal, state and local officials, peer utilities and fellow major companies on best practices and new developments in the interest of keeping our teammates as safe as possible during this pandemic.

Question #27

Compared to this time last year how has electric and gas customer remote meter usage changed due to covid-19.

What we believe this question is asking is what we're seeing from a load trend perspective. As mentioned in the earnings call on May 12, we started to see lower electric retail demand from our commercial and industrial customers in April due to COVID-19, similar to our industry peers. This has been partially offset by an increase from residential customers given stay-at-home orders across our states. Volume fluctuations in residential and commercial customers do not materially affect the earnings of the natural gas business unit.

We're planning for a range of potential load trends over the balance of 2020. Based on our economic assumptions as of early May, we expect weather-normal electric volumes to be down 3 to 5 percent for the full year due to COVID-19 impacts. That's why we've taken swift actions to respond and maintain the financial health of our company while supporting our customers and communities. We put together a strong plan to help mitigate some of this impact – approximately $350 million to $450 million through various cost-saving initiatives. A detailed discussion of our assumptions is contained in our earnings materials from our May 12 call and is linked here: https://www.duke-energy.com/_/media/pdfs/our-company/investors/news-and-events/2020/1qresults/1q2020-earnings-release.pdf?la=en

We are and we will continue planning for a range of outcomes – and we will know more over the coming months and as the communities that we serve start to reopen.

Question #28

As mentioned in the 10K Report, there is concern that as more customers generate their own electricity through solar energy and storage along with energy efficiency strategies, that this grid defection could be a potential threat to the current business model. Can you elaborate at what levels when one or both of these technologies/strategies would significantly impact revenues and what steps would you take to mitigate these impacts?

Our service territories have seen relatively low levels of customer adoption of solar and storage so far, particularly in the Southeast, as our rates remain some of the lowest in the country. However, we are already taking proactive steps to integrate solar, storage and energy efficiency into our regulatory model for the benefit of customers.

We're taking our leadership position in energy efficiency and making investments in the systems, grid and process to be prepared to help customers adopt to these emerging technologies. Today, our strategy is focused on the grid and enabling a two-way power flow and conducting advanced and integrated planning that help us maximize the value of these assets. We're also working with stakeholders to modernize our rate designs accordingly.

Our goal over the next decade is to make sure when a customer calls with a request, we have the technology, ability and regulatory constructs in place to deliver and this question is a great example of how we're working to do just that.

Question #29

Thank you for going to 100% clean energy by 2050. The UN says there a number of tipping points that require major carbon reductions by 2030. Your Integrated Resource Plan seems inadequate for that. Please comment.

We appreciate the recognition of our net-zero carbon emissions goal – one of the most ambitious in the electric utility industry. The most up-to-date discussion of a scenario under which we would meet our goals of at least a 50 percent reduction in CO_2 emissions by 2030 – and net-zero carbon emissions by 2050 – is in our 2020 Climate Report.

In that report, we discuss the consistency of our net-zero carbon reduction scenario with the range of scientifically derived pathways that limit global warming to 2 degrees and 1.5 degrees Celsius. Based on this analysis, we believe that our goals for carbon reductions are consistent with those advised by science.

As we partner with customers, policymakers, regulators, and stakeholders in our states to make the transition to net-zero carbon emissions, our integrated resource plans will, over time, reflect our proposed path.

Question #30

I assert that your PR regarding sustainability, clean energy, and net-zero are deliberately misleading to your customers and shareholders. Your IRP to NCUC shows only 8% renewable generation in 2034, compared to 39% fracked gas based, 3% coal based, and 45% old-old nuke based generation. In truth, all you are sustaining is 20th Century fossil fuel and nuclear operations. My children and grand-children need deployment of true renewables plus storage now, to power them thru the '30's and '40's. How do you respond?

We appreciate the chance to respond. In addition to the information provided in the answer to questions 4 and 5 above, our 2020 Climate Report charts a path to net-zero carbon emissions by 2050 that relies on not only our zero-carbon-emitting nuclear fleet and existing renewables,

but also on significant increases in the use of renewables and storage, as well as the adoption of new zero-emitting generation technologies.

We are excited to be working with two significant industry efforts – led by the Electric Power Research Institute and the Edison Electric Institute – to help develop and advocate for development of new technologies that will keep energy reliable and affordable while continuing to reduce emissions through the 2030s and 2040s.

And as we partner with customers, policymakers, regulators, and stakeholders in our states to make the transition to net-zero carbon emissions, our integrated resource plans will, over time, reflect our proposed path.

Question #31

Why does Duke's net-zero target only apply to electricity generation and not natural gas distribution?

We are proud of our track record in driving down methane emissions from our natural gas distribution system. For example, starting in the early 2000s, our natural gas business unit began replacing all cast-iron pipes with either plastic or cathodically protected steel, which reduces both methane emissions and improves the safety and reliability of the natural gas system. Thus far, this program has replaced virtually all cast-iron pipe on our system – a total of 1,454 miles.

We appreciate the question and are carefully evaluating our remaining sources of methane emissions and potential avenues to reduce them further.

Question #32

How will regulatory rates change the forecast of earnings this year?

We continue to manage our active regulatory calendar for 2020 and throughout our five-year plan.

Although there have been delays in the hearings for our North Carolina rate cases due to the pandemic, a slight delay in receiving regulatory orders in these rate cases is not expected to significantly impact earnings for the year – or over our five-year plan.

We continue to monitor the regulatory calendar closely and are actively engaged with our regulators to determine when these cases can move forward. The health and safety of all involved in the proceedings are top of mind.

Question #33

Regarding coal ash removal and storage was VOLCAY considered leak proofing the storage pits or caps? If not why not? If so, how did it compare with what you are using?

We are not using Volclay in lining our new landfills. We are using something very similar, a geosynthetic clay liner (GCL), which meets both federal and state standards and is a material with which we've had proven success at our existing lined landfills. GCLs are factory-manufactured hydraulic barriers consisting of a layer of bentonite or other very low-permeability material supported by geotextiles and/or geomembranes, mechanically held together by needling, stitching, or chemical adhesives designed for landfill construction.

We do not specify individual products; we issue bids for work incorporating specifications that meet regulatory standards, and contractors choose industrial supplies that meet those specifications in their bid submission.

Question #34

Are there any plans to do more residential developments in the future?

Unfortunately, we are not clear on the intent of this question. But, Duke Energy's only involvement in developing residential areas is through our collaboration with builders, which will continue.

Question #35

Hello: Since I'm dying of Lyme disease which has invaded my heart and joints.....I felt that I should send you my thoughts especially given the pandemic environment. It would be magnanimous of your company if your employees making greater than $750,000 per year would donate this year's pay to the employees of your company who might be without pay for weeks because of the Pandemic and/or to the prehospital providers who do so much for so little. You have an outstanding company. Please consider.

We are saddened to learn about your health condition and appreciate you reaching out with your question. We care deeply for all of our employees. To address your question, our employees have not been without pay during this pandemic, and we have not conducted involuntary layoffs or furloughs.

In addition, we have provided a variety of ways to support our customers and communities during these unprecedented times.

- The company has provided five additional personal days off with pay for employees who experience a disruption in dependent care due to school, daycare or other dependent-related care, including care for elderly family members.
- We provided a $1,500 stipend to employees at a certain pay threshold that could assist with unplanned expenses resulting from costs related to COVID-19.
- Through our Relief4Employees program, the company has given $300,000 to provide one-time grants to employees who are experiencing a hardship due to COVID-19.
- Our Foundation has donated $6 million to support relief efforts across our service territories.

As the crisis continues, we are evaluating ways we can continue to support our employees, customers and communities.

SAFE HARBOR

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: the impact of the COVID-19 pandemic; state, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; the extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; the ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; the costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; costs and effects of legal and administrative proceedings, settlements, investigations and claims; industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies; federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; advancements in technology; additional competition in electric and natural gas markets and continued industry consolidation; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; the ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; the ability to obtain the necessary permits and approvals and to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; operational interruptions to our natural gas distribution and transmission activities; the availability of adequate interstate pipeline transportation capacity and natural gas supply; the impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences; the inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers; the timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; the results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions; credit ratings of the Duke Energy Registrants may be different from what is expected; declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds; construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all; changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; the ability to control

operation and maintenance costs; the level of creditworthiness of counterparties to transactions; the ability to obtain adequate insurance at acceptable costs; employee workforce factors, including the potential inability to attract and retain key personnel; the ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; the impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings; the impacts from potential impairments of goodwill or equity method investment carrying values; and the ability to implement our business strategy, including enhancing existing technology systems.

Additional risks and uncertainties are identified and discussed in the Duke Energy Registrants' reports 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 and the Duke Energy Registrants expressly disclaim an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.