

**Duke Energy Corporation**  
**Non-GAAP Reconciliations**  
**Fourth Quarter Earnings Review & Business Update**  
**February 11, 2021**

**Adjusted Earnings per Share (EPS)**

The materials for Duke Energy Corporation's (Duke Energy) Fourth Quarter Earnings Review and Business Update on February 11, 2021, include a discussion of adjusted EPS for the year-to-date periods ended December 31, 2020 and 2019.

The non-GAAP financial measure, adjusted EPS, represents basic EPS available to Duke Energy Corporation common stockholders (GAAP reported EPS), 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 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, employees, stockholders, analysts and investors. Adjusted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders. Reconciliations of adjusted EPS for the year-to-date periods ended December 31, 2020 and 2019, to the most directly comparable GAAP measure are included herein.

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

- Gas Pipeline Investments represents costs related to the cancellation of the ACP pipeline and additional exit costs related to Constitution.
- Regulatory Settlements represents charges related to Duke Energy Carolinas and Duke Energy Progress coal ash settlement and the partial settlements in the 2019 North Carolina rate cases.
- Severance represents the reversal of 2018 costs, which were deferred as a result of a partial settlement in the Duke Energy Carolinas and the Duke Energy Progress 2019 North Carolina rate cases.
- Impairment Charges represents a reduction of a prior year impairment at Citrus County CC and an other-than-temporary impairment on the remaining investment in Constitution.

**Adjusted EPS Guidance**

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 11, 2021, include a reference to forecasted 2021 adjusted EPS guidance range of \$5.00 to \$5.30 per share. In addition, the materials reference a preliminary estimate of the 2021 adjusted EPS midpoint of approximately \$5.15. The materials also include a reference to the midpoint of the original forecasted 2020 adjusted EPS guidance range of \$5.25. In addition, the materials reference the long-term range of annual growth of 5% - 7% through 2025 off the midpoint of 2021 adjusted EPS guidance range of \$5.15. The materials also reference the expected five-year EPS growth in the natural gas segment of 8-10% (on a compound annual growth rate (CAGR) basis). The forecasted adjusted EPS is a non-GAAP financial measure as it represents basic EPS available to Duke Energy Corporation common stockholders (GAAP reported EPS), adjusted for the per share impact of special items (as discussed above under Adjusted 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 (Loss) and Adjusted Other Net Loss**

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 11, 2021, include a discussion of adjusted segment income (loss) and adjusted other net loss for the year-to-date period ended December 31, 2020 and a discussion of 2020 and 2021 forecasted adjusted segment income and forecasted adjusted other net loss.

Adjusted segment income (loss) and adjusted other net loss are non-GAAP financial measures, as they represent reported segment income (loss) and other net loss adjusted for special items (as discussed above under Adjusted EPS). Management believes the presentation of adjusted segment income (loss) 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 a per share impact is provided for a segment income (loss) driver, the after-tax driver is derived using the pretax amount of the item less income taxes based on the segment statutory tax rate of 24% for Electric Utilities and Infrastructure, 23% for Gas Utilities and Infrastructure and Other, or an effective tax rate for Commercial Renewables. The after-tax earnings drivers are divided by the Duke Energy weighted average shares outstanding for the period. The most directly comparable GAAP measures for adjusted segment income (loss) and adjusted other net loss are reported segment income (loss) and other net loss, which represents segment income (loss) and other net loss from continuing operations, including any special items. Reconciliations of adjusted segment income (loss) and adjusted other net loss for the year-to-date period ended December 31, 2020, to the most directly comparable GAAP measures is included herein. Due to the forward-looking nature of any forecasted adjusted segment income (loss) and forecasted other net loss 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 EPS guidance.

### **Effective Tax Rate Including Impacts of Noncontrolling Interests and Preferred Dividends and Excluding Special Items**

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 11, 2021, include a discussion of the effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items for the year-to-date period ended December 31, 2020. The materials also include a discussion of the 2020 and 2021 forecasted effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items. Effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items is a non-GAAP financial measure as the rate is calculated using pretax income and income tax expense, both adjusted for the impact of special items, noncontrolling interests and preferred dividends. The most directly comparable GAAP measure is reported effective tax rate, which includes the impact of special items and excludes the impacts of noncontrolling interests and preferred dividends. A reconciliation of this non-GAAP financial measure for the year-to-date period ended December 31, 2020, to the most directly comparable GAAP measure is included herein. Due to the forward-looking nature of the forecasted effective tax rates including impacts of noncontrolling interests and preferred dividends and excluding special items, 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 EPS Guidance.

## **Adjusted Book Return on Equity (ROE)**

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 11, 2021 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 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 EPS Guidance.

## **Available Liquidity**

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 11, 2021, 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 certain amounts held in foreign jurisdictions and cash otherwise unavailable for operations, the remaining availability under Duke Energy's available credit facilities, including the master credit facility as of December 31, 2020. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents. A reconciliation of available liquidity as of December 31, 2020, to the most directly comparable GAAP measure is included herein.

## **Holdco Debt Percentage**

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 11, 2021 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, imputed operating lease liabilities, plus notes payable and commercial paper outstanding.

## **Funds From Operations ("FFO") Ratio**

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 11, 2021 include a reference to the historical and expected FFO to Total Debt ratio. This ratio reflects 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, depreciation and amortization of operating leases 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, imputed operating lease liabilities, plus notes payable, commercial paper outstanding, underfunded pension liability, guarantees on joint-venture debt, and adjustments to hybrid debt and preferred stock issuances based on how credit rating agencies view the instruments. 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 EPS Guidance.

## **Net Regulated Electric and Gas O&M**

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 11, 2021, include a discussion of Duke Energy's net regulated Electric and Gas operating, maintenance and other expenses (O&M) for the year-to-date periods ended December 31, 2020, 2019, 2018, 2017 and 2016, as well as the forecasted year-to-date period ended December 31, 2021.

Net regulated Electric and Gas O&M is a non-GAAP financial measure, as it represents reported O&M expenses adjusted for special items and expenses recovered through riders and excludes O&M expenses for Duke Energy's non-margin based Commercial businesses and non-regulated electric products and services supporting regulated operations.

Management believes the presentation of net regulated Electric and Gas O&M provides useful information to investors, as it provides a meaningful comparison of financial performance across periods. The most directly comparable GAAP financial measure for net regulated Electric and Gas O&M is reported operating, maintenance and other expenses. A reconciliation of net regulated Electric and Gas O&M for the year-to-date periods ended December 31, 2020, 2019, 2018, 2017 and 2016, as well as the forecasted year-to-date period ended December 31, 2021, to the most directly comparable GAAP measure are included here-in.

## **Business Mix Percentage**

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 11, 2021, reference each segment's 2021 projected adjusted segment income as a percentage of the total projected 2021 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.

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 EPS Guidance).

**DUKE ENERGY CORPORATION**  
**REPORTED TO ADJUSTED EARNINGS RECONCILIATION**  
Year Ended December 31, 2020  
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items			Discontinued Operations	Total Adjustments	Adjusted Earnings
		Gas Pipeline Investments	Severance	Regulatory Settlements			
<b>SEGMENT INCOME (LOSS)</b>							
Electric Utilities and Infrastructure	\$ 2,669	\$ 4 A	\$ —	\$ 872 D	\$ —	\$ 876	\$ 3,545
Gas Utilities and Infrastructure	(1,266)	1,707 B	—	—	—	1,707	441
Commercial Renewables	286	—	—	—	—	—	286
<b>Total Reportable Segment Income</b>	<b>1,689</b>	<b>1,711</b>	<b>—</b>	<b>872</b>	<b>—</b>	<b>2,583</b>	<b>4,272</b>
Other	(426)	—	(75) C	—	—	(75)	(501)
Discontinued Operations	7	—	—	—	(7) E	(7)	—
<b>Net Income Available to Duke Energy Corporation Common Stockholders</b>	<b>\$ 1,270</b>	<b>\$ 1,711</b>	<b>\$ (75)</b>	<b>\$ 872</b>	<b>\$ (7)</b>	<b>\$ 2,501</b>	<b>\$ 3,771</b>
<b>EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS</b>	<b>\$ 1.72</b>	<b>\$ 2.32</b>	<b>\$ (0.10)</b>	<b>\$ 1.19</b>	<b>\$ (0.01)</b>	<b>\$ 3.40</b>	<b>\$ 5.12</b>

A - Net of \$1 million tax benefit. \$5 million included within Impairment charges related to gas pipeline interconnections on the Duke Energy Progress' Consolidated Statements of Operations.

B - Net of \$398 million tax benefit.

- \$2,098 million recorded within Equity in (losses) earnings of unconsolidated affiliates related to exit obligations for gas pipeline investments on the Consolidated Statements of Operations.
- \$7 million included within Impairment charges related to gas project materials on the Piedmont Consolidated Statements of Operations.

C - Net of \$23 million tax expense. \$98 million reversal of 2018 severance charges recorded within Operations, maintenance and other on the Consolidated Statements of Operations.

D - Net of \$123 million tax benefit at Duke Energy Carolinas and \$140 million tax benefit at Duke Energy Progress.

- \$454 million included within Impairment charges and reversal of \$50 million included in Regulated electric operating revenues related to the coal ash settlement filed with the NCUC on the Duke Energy Carolinas' Consolidated Statements of Operations.
- \$19 million included within Impairment charges related to the Clemson University Combined Heat and Power Plant and \$8 million of shareholder contributions within Operations, maintenance and other on the Duke Energy Carolinas' Consolidated Statements of Operations.
- \$494 million included within Impairment charges and reversal of \$102 million included in Regulated electric operating revenues related to the coal ash settlement filed with NCUC on the Duke Energy Progress' Consolidated Statements of Operations.
- \$8 million of shareholder contributions included within Operations, maintenance and other on the Duke Energy Progress' Consolidated Statements of Operations.

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

**Weighted Average Shares (reported and adjusted) – 737 million**

**DUKE ENERGY CORPORATION**  
**REPORTED TO ADJUSTED EARNINGS RECONCILIATION**  
Year Ended December 31, 2019  
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items		Total Adjustments	Adjusted Earnings
		Impairment Charges	Discontinued Operations		
<b>SEGMENT INCOME</b>					
Electric Utilities and Infrastructure	\$ 3,536	\$ (27) <b>A</b>	\$ —	\$ (27)	\$ 3,509
Gas Utilities and Infrastructure	432	19 <b>B</b>	—	19	451
Commercial Renewables	198	—	—	—	198
<b>Total Reportable Segment Income</b>	<b>4,166</b>	<b>(8)</b>	<b>—</b>	<b>(8)</b>	<b>4,158</b>
Other	(452)	—	—	—	(452)
Discontinued Operations	(7)	—	7 <b>C</b>	7	—
<b>Net Income Available to Duke Energy Corporation Common Stockholders</b>	<b>\$ 3,707</b>	<b>\$ (8)</b>	<b>\$ 7</b>	<b>\$ (1)</b>	<b>\$ 3,706</b>
<b>EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS</b>	<b>\$ 5.06</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>	<b>\$ —</b>	<b>\$ 5.06</b>

**Note:** Earnings Per Share amounts are adjusted for accumulated but not yet declared dividends for Series B Preferred Stock of \$(0.02).

**A** – Net of \$9 million tax expense. \$36 million reduction of a prior year impairment at Citrus County CC recorded within Impairment charges on Duke Energy Florida's Consolidated Statements of Operations.

**B** – Net of \$6 million tax benefit. \$25 million included within Other Income and Expenses on the Consolidated Statements of Operations, related to the other-than-temporary-impairment of the remaining investment in Constitution Pipeline Company, LLC.

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

**Weighted Average Shares (reported and adjusted) – 729 million**

**DUKE ENERGY CORPORATION**  
**EFFECTIVE TAX RECONCILIATION**  
December 2020  
(Dollars in millions)

	Three Months Ended		Year Ended	
	December 31, 2020		December 31, 2020	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
<b>Reported (Loss) Income Before Income Taxes From Continuing Operations Before Income Taxes</b>	\$ (319)		\$ 839	
Regulatory Settlements	1,100		1,135	
Gas Pipeline Investments	20		2,110	
Severance	—		(98)	
Noncontrolling Interests	87		295	
Preferred Dividends	(14)		(107)	
<b>Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items</b>	<b>\$ 874</b>		<b>\$ 4,174</b>	
<b>Reported Income Tax Benefit From Continuing Operations</b>	<b>\$ (162)</b>	<b>50.8 %</b>	<b>\$ (236)</b>	<b>(28.1)%</b>
Regulatory Settlements	255		263	
Gas Pipeline Investments	4		399	
Severance	—		(23)	
<b>Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items</b>	<b>\$ 97</b>	<b>11.1%</b>	<b>\$ 403</b>	<b>9.7 %</b>

	Three Months Ended		Year Ended	
	December 31, 2019		December 31, 2019	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
<b>Reported Income From Continuing Operations Before Income Taxes</b>	\$ 709		\$ 4,097	
Impairment Charges	14		(11)	
Noncontrolling Interests	67		177	
Preferred Dividends	(14)		(41)	
<b>Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items</b>	<b>\$ 776</b>		<b>\$ 4,222</b>	
<b>Reported Income Tax Expense From Continuing Operations</b>	<b>\$ 95</b>	<b>13.4 %</b>	<b>\$ 519</b>	<b>12.7 %</b>
Impairment Charges	3		(3)	
<b>Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items</b>	<b>\$ 98</b>	<b>12.6%</b>	<b>\$ 516</b>	<b>12.2 %</b>

**Duke Energy Corporation**  
**Available Liquidity Reconciliation**  
**As of December 31, 2020**  
**(In millions)**

Cash and Cash Equivalents	\$ 259	
Less: Certain Amounts Held in Foreign Jurisdictions	(3)	
Less: Unavailable Domestic Cash	<u>(48)</u>	
	208	
Plus: Remaining Availability under Master Credit Facilities and other facilities	<u>6,140</u>	
Total Available Liquidity (a), December 31, 2020	<u>\$ 6,348</u>	approximately 6.3 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, as of December 31, 2020. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents.

**Duke Energy Corporation**  
**Operations, Maintenance and Other Expense**  
(In millions)

	Actual December 31, 2016	Actual December 31, 2017	Actual December 31, 2018	Actual December 31, 2019	Actual December 31, 2020	Forecast December 31, 2021
<b>Operation, maintenance and other<sup>(a)</sup></b>	<b>\$6,223</b>	<b>\$5,944</b>	<b>\$6,463</b>	<b>\$6,066</b>	<b>\$5,788</b>	<b>\$6,072</b>
Adjustments:						
Costs to Achieve, Mergers <sup>(b)</sup>	(238)	(94)	(83)	–	–	–
Severance <sup>(b)</sup>	(92)	–	(187)	–	98	–
Regulatory settlement <sup>(b)</sup>	–	(5)	(40)	–	(16)	–
Reagents Recoverable <sup>(d)</sup>	(63)	(60)	(78)	(71)	(53)	(58)
Energy Efficiency Recoverable <sup>(c)</sup>	(417)	(485)	(446)	(415)	(350)	(403)
Other Deferrals <sup>(e)</sup> and Recoverable <sup>(d)</sup>	(78)	(92)	(323)	(282)	(457)	(282)
Margin based O&M for Commercial Businesses	(185)	(94)	(113)	(95)	(67)	(208)
Short-term incentive payments (over)/under budget	(90)	(22)	(30)	(112)	33	–
Non-Margin based O&M for Commercial Businesses <sup>(f)</sup>	(166)	(173)	(191)	(203)	(218)	(269)
Non-regulated Electric Products and Services <sup>(g)</sup>	(83)	(140)	(138)	(175)	(210)	(223)
<b>Net Regulated Electric and Gas, operation, maintenance and other</b>	<b>\$ 4,811</b>	<b>\$ 4,779</b>	<b>\$ 4,835</b>	<b>\$ 4,714</b>	<b>\$ 4,548</b>	<b>\$ 4,630</b>

(a) As reported in the Consolidated Statements of Operations.

(b) Presented as a special item for the purpose of calculating adjusted earnings and adjusted diluted earnings per share.

(c) Primarily represents expenses to be deferred or recovered through rate riders.

(d) The Duke Energy Indiana Rate Case was effective in mid-year 2020. This Rate Case permitted recovery within base rates of certain costs that had previously been recovered through riders. Accordingly, all prior periods have been recast as if these costs were always included within base rates.

(e) Prior periods have been recast to reflect a change in methodology to present certain deferrals which will be recovered through future rate cases as if they were included in base rates.

(f) Primarily represents the operations, maintenance and other expense of the Commercial Renewables segment excluding REC Solar.

(g) Primarily represents non-regulated electric products and services expense in support of regulated operations.

DUKE ENERGY CORPORATION  
ADJUSTED BOOK RETURN ON EQUITY (ROEs)  
For the period ended December 31, 2020  
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 2020	\$ 956	\$ 415	\$ 1,371	\$ 771	\$ 408	\$ 258 (2)	\$ 264 (3)
Special Items (1)	358	443	801	-	-	-	7
Adjusted Net Income 2020	1,314	858	2,172	771	408	258	271
<b>2020</b>							
Equity	13,154	9,260	22,414	7,558	4,783	3,935	2,647 (4)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	13,154	9,260	22,414	7,558	4,783	3,015	2,598
<b>2019</b>							
Equity	12,811	9,246	22,057	6,788	4,575	3,687	2,381 (4)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	12,811	9,246	22,057	6,788	4,575	2,767	2,332
Average Equity less Goodwill			22,236	7,173	4,679	2,891	2,465
Adjusted Book ROEs			9.8%	10.7%	8.7%	8.9%	11.0%

(1) Impacts of Regulatory settlement for coal ash, net of tax; Impairment charges for interconnection with ACP, net of tax; Impairment charges and shareholder contributions related to Clemson CHP, net of tax; Severance, net of tax

(2) Net Income for 2020 equals Duke Energy Ohio reportable segments segment income

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

2020
273
(9)
264

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

	2020	2019
Reported Equity for Piedmont Natural Gas	2,715	2,443
Less: Investments in Gas Transmission Infrastructure	68	62
Piedmont Natural Gas Adjusted Equity	2,647	2,381

DUKE ENERGY CORPORATION  
ADJUSTED BOOK RETURN ON EQUITY (ROEs)  
For the period ended December 31, 2019  
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 2019	\$ 1,403	\$ 805	\$ 2,208	\$ 693	\$ 436	\$ 244 (2)	\$ 196 (4)
Special Items (1)	-	-	-	(27)	-	-	-
Adjusted Net Income 2019	1,403	805	2,208	666	436	244	196
<b>2019</b>							
Equity	12,811	9,246	22,057	6,788	4,575	3,687 (3)	2,381 (5)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	12,811	9,246	22,057	6,788	4,575	2,767	2,332
<b>2018</b>							
Equity	11,683	8,441	20,124	6,095	4,339	3,449 (3)	2,047 (5)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	11,683	8,441	20,124	6,095	4,339	2,529	1,998
Average Equity less Goodwill			21,091	6,442	4,457	2,648	2,165
Adjusted Book ROEs			10.5%	10.3%	9.8%	9.2%	9.1%

(1) Impacts of Citrus County CC, Net of Tax

(2) Net Income for 2019 equals Duke Energy Ohio reportable segments segment income

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

	2019	2018
Reported Equity for Duke Energy Ohio	3,683	3,445
Less: Non-Reg & Other	(4)	(4)
Duke Energy Ohio Reportable Segments Equity	3,687	3,449

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

2019
202
(6)
196

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

	2019	2018
Reported Equity for Piedmont Natural Gas	2,443	2,091
Less: Investments in Gas Transmission Infrastructure	62	44
Piedmont Natural Gas Adjusted Equity	2,381	2,047

DUKE ENERGY CORPORATION  
ADJUSTED BOOK RETURN ON EQUITY (ROEs)  
For the period ended December 31, 2018  
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 2018	\$ 1,071	\$ 667	\$ 1,738	\$ 553	\$ 393	\$ 279 (2)	\$ 124 (4)
Special Items (1)	234	118	352	63	8	-	40
Adjusted Net Income 2018	1,305	785	2,090	616	401	279	164
<b>2018</b>							
Equity	11,683	8,441	20,124	6,095	4,339	3,449 (3)	2,047 (5)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	11,683	8,441	20,124	6,095	4,339	2,529	1,998
<b>2017</b>							
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
Average Equity less Goodwill			19,717	5,857	4,230	2,388	1,783
Adjusted Book ROEs			10.6%	10.5%	9.5%	11.7%	9.2%

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

(2) Net Income for 2018 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA and cost savings initiatives, Severance and Sale of Retired Plant.

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

	2018	2017
Reported Equity for Duke Energy Ohio	3,445	3,163
Less: Non-Reg & Other	(4)	(3)
Duke Energy Ohio Reportable Segments Equity	3,449	3,166

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

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

	2018	2017
Reported Equity for Piedmont Natural Gas	2,091	1,662
Less: Investments in Gas Transmission Infrastructure	44	46
Piedmont Natural Gas Adjusted Equity	2,047	1,616

Duke Energy Corporation  
2021 Forecasted Cash Flow Reconciliation, Required by SEC Regulation G  
February 11, 2021  
(\$ in millions)

	Forecast 2021
<b>Primary Sources:</b>	
Adjusted net income (1)	(a) \$3,960
Depreciation & amortization	(a) 5,655
Deferred and accrued taxes	(a) 325
Other sources / (uses), net	(a) 600
Total Sources	<u>10,540</u>
<b>Primary Uses:</b>	
Capital expenditures (including discretionary)	(b) (10,475)
Dividends	(c) (3,000)
Total Uses	<u>(13,475)</u>
<b>Uses in Excess of Sources</b>	<u>(2,935)</u>
<b>Net Change in Financing</b>	
Debt issuances	(c, d) 8,275
Debt maturities	(c) (5,335)
Net Change in Debt	<u>2,940</u>
Preferred stock issuances	
Common stock issuances	(c) <u>5</u>
Net Change in Cash	<u>\$5</u>
<b>Reconciliations to forecasted U.S. GAAP reporting amounts:</b>	
Operating cash flow components, sum of (a) from above	\$10,540
Reconciling items to GAAP cash flows from operating activities	(2) (2,135)
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows	<u>\$8,405</u>
Investing cash flow components, (b) from above	(\$10,475)
Reconciling items to GAAP cash flows from investing activities	(2) (595)
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows	<u>(\$11,070)</u>
Financing cash flow components, sum of (c) from above	(\$60)
Reconciling items to GAAP cash flows from financing activities	(2) 2,730
Net cash provided by financing activities per GAAP Consolidated Statement of Cash Flows	<u>\$2,670</u>
<i>Debt Issuances [(d) from above] includes "Notes payable and commercial paper" which is separately presented per GAAP Consolidated Statements of Cash Flows</i>	
Net increase in cash and cash equivalents per forecasted GAAP Consolidated Statements of Cash Flows	<u>\$5</u>

**Notes:**

(1) The forecasted adjusted net income of \$3,960 million for 2021 is an illustrative amount based on the midpoint of Duke Energy's adjusted basic EPS outlook range of \$5.00-\$5.30 per share. Adjusted basic EPS is a non-GAAP financial measure as it represents basic EPS from continuing operations attributable to Duke Energy Corporation shareholders and adjusted for the per-share impact of special items. 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 basic EPS is reported basic 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 and payment for an accrued liability ) included in the "Capital expenditures (including discretionary)" and "Debt maturities", which are combined for the GAAP reconciliation in Investing activities and Financing activities, and; an adjustment for investing cash flow items (principally cost of removal expenditures, proceeds from sales and maturities of available-for-sale securities 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 proceeds from Noncontrolling Interests initial investments, payments for interest on preferred debt/equity content securities, and Other) included in the "Other sources/(uses), net" and "Capital expenditures (including discretionary)", which are combined for the GAAP reconciliation in Operating activities and Investing activities.

**FFO to Debt Calculation**  
**Duke Energy Corporation**  
(in millions)

**Year Ended December 31,**  
**2020**  
**Actual**

Cash From Operations	8,856
Adjust for Working Capital (1)	(246)
Coal ash ARO spend	610
Include Capitalized Interest as cost	(112)
Hybrid interest adjustment	10
Preferred stock adjustment	(54)
CR3 securitization adjustment	(55)
ACP construction loan interest adjustment	(22)
Lease-imputed FFO adjustment (D&A)	260
<b>Funds From Operations</b>	<b>9,247</b>
Notes payable and commercial paper	2,873
Current maturities of LT debt	4,238
LT debt	55,625
Less: Purchase Accounting adjustments	(1,711)
CR3 securitization	(1,057)
Underfunded Pension	397
ACP construction loan	860
Hybrid debt adjustment	(250)
Preferred stock adjustment	1,000
Lease-imputed debt	1,517
<b>Total Balance Sheet Debt (Including ST)</b>	<b>63,492</b>
(1) Working capital detail, excluding MTM	
Receivables	(56)
Inventory	66
Other current assets	205
Accounts payable	(21)
Taxes accrued	117
Other current liabilities	(65)
	<b>246</b>

<b>FFO / Debt</b>	<b>15%</b>
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**FFO to Debt Calculation**  
**Duke Energy Carolinas**  
(in millions)

**Year Ended December 31,**  
**2020**  
**Actual**

Cash From Operations	2,776
Adjust for Working Capital (1)	(255)
ARO spend	162
Include Capitalized Interest as cost	(28)
Lease-imputed FFO adjustment (D&A)	43
<b>Funds From Operations</b>	<b>2,698</b>
Current maturities of LT debt	506
LT debt	11,412
LT debt payable to affiliates	300
Notes payable to affiliated companies	506
Underfunded Pension	13
Lease imputed debt	117
<b>Total Balance Sheet Debt (Including ST)</b>	<b>12,854</b>
(1) Working capital detail, excluding MTM	
Receivables	52
Receivables from affiliates	(10)
Inventory	(14)
Other current assets	209
Accounts payable	55
Accounts payable to affiliates	(11)
Taxes accrued	30
Other current liabilities	(56)
	<b>255</b>

**FFO / Debt** **21%**

**FFO to Debt Calculation****Duke Energy Progress**

(in millions)

**Year Ended December 31,  
2020  
Actual**

Cash From Operations	1,666
Adjust for Working Capital (1)	(229)
Coal ash ARO spend	304
Include Capitalized Interest as cost	(12)
Lease-imputed FFO adjustment (D&A)	60
<b>Funds From Operations</b>	<b>1,789</b>
Notes payable to affiliated companies	295
Current maturities of LT debt	603
LT debt	8,505
LT debt payable to affiliates	150
Underfunded Pension	33
Lease imputed debt	354
<b>Total Balance Sheet Debt (Including ST)</b>	<b>9,940</b>

(1) Working capital detail, excluding MTM

Receivables	(4)
Receivables from affiliates	2
Inventory	23
Other current assets	98
Accounts payable	(127)
Accounts payable to affiliates	12
Taxes accrued	68
Other current liabilities	157
	<b>229</b>

**FFO / Debt****18%**

**FFO to Debt Calculation****Duke Energy Florida**

(in millions)

**Year Ended December 31,  
2020  
Actual**

Cash From Operations	1,661
Adjust for Working Capital (1)	(51)
Coal ash ARO spend	80
Include Capitalized Interest as cost	(5)
Adjust for CR3	(55)
Lease-imputed FFO adjustment (D&A)	99
<b>Funds From Operations</b>	<b>1,729</b>
Notes payable to affiliated companies	196
Current maturities of LT debt	823
LT debt	7,092
Adjust for CR3	(1,057)
Lease imputed debt	342
Underfunded Pension	123
<b>Total Balance Sheet Debt (Including ST)</b>	<b>7,519</b>
(1) Working capital detail, excluding MTM	
Receivables	(64)
Receivables from affiliates	(3)
Inventory	26
Other current assets	40
Accounts payable	66
Accounts payable to affiliates	(46)
Taxes accrued	39
Other current liabilities	(7)
	<b>51</b>

**FFO / Debt****23%**

**FFO to Debt Calculation****Duke Energy Indiana**

(in millions)

**Year Ended December 31,  
2020  
Actual**

Cash From Operations	938
Adjust for Working Capital (1)	(57)
Coal ash ARO spend	63
Include Capitalized Interest as cost	(10)
Lease-imputed FFO adjustment (D&A)	16
<b>Funds From Operations</b>	<b>950</b>
Notes payable to affiliated companies	131
Current maturities of LT debt	70
LT debt	3,871
LT debt payable to affiliates	150
CRC	186
Underfunded pension	112
Lease imputed debt	56
<b>Total Balance Sheet Debt (Including ST)</b>	<b>4,576</b>
(1) Working capital detail, excluding MTM	
Receivables	8
Inventory	44
Other current assets	(3)
Accounts payable	(12)
Accounts payable to affiliates	1
Taxes accrued	13
Other current liabilities	6
	<b>57</b>

**FFO / Debt****21%**

**FFO to Debt Calculation****Duke Energy Ohio**

(in millions)

**Year Ended December 31,  
2020  
Actual**

Cash From Operations	575
Adjust for Working Capital (1)	(38)
Coal Ash ARO spend	2
Include capitalized Interest as cost	(26)
Lease-imputed FFO adjustment (D&A)	10
<b>Funds From Operations</b>	<b>523</b>
Notes payable to affiliated companies	169
Current maturities of LT debt	50
LT debt	3,014
LT debt payable to affiliates	25
CRC	138
Underfunded pension	92
Lease imputed debt	21
<b>Total Balance Sheet Debt (Including ST)</b>	<b>3,509</b>
(1) Working capital detail, excluding MTM	
Receivables	(13)
Receivables from affiliates	9
Inventory	25
Other current assets	(18)
Accounts payable	2
Taxes accrued	30
Other current liabilities	3
	<b>38</b>
<b>FFO / Debt</b>	<b>15%</b>

**FFO to Debt Calculation****Piedmont Natural Gas**

(in millions)

**Year Ended December 31,  
2020  
Actual**

Cash From Operations	481
Adjust for Working Capital (1)	(31)
Include Capitalized Interest as cost	(8)
Lease-imputed FFO adjustment (D&A)	4
<b>Funds From Operations</b>	<b>446</b>
Notes payable to affiliated companies	530
Current maturities of LT debt	160
LT debt	2,620
Underfunded pension	4
Lease imputed debt	23
<b>Total Balance Sheet Debt (Including ST)</b>	<b>3,337</b>
(1) Working capital detail, excluding MTM	
Receivables	10
Inventory	3
Other current assets	(66)
Accounts payable	16
Accounts payable to affiliates	76
Taxes accrued	3
Other current liabilities	(11)
	<b>31</b>

**FFO / Debt****13%**