

Duke Energy Corporation
Non-GAAP Reconciliations
Fourth Quarter Earnings Review & Business Update
February 10, 2022

Adjusted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) Fourth Quarter Earnings Review and Business Update on February 10, 2022, include a discussion of adjusted EPS for the year-to-date periods ended December 31, 2021 and 2020.

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, 2021 and 2020, 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:

- Workplace and Workforce Realignment represents costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment.
- Regulatory Settlements represents an impairment charge related to the South Carolina Supreme Court decision on coal ash, insurance proceeds and Duke Energy Carolinas and Duke Energy Progress coal ash settlement and the partial settlements in the 2019 North Carolina rate cases.
- Gas Pipeline Investments represents costs related to the cancellation of the ACP investment and additional exit obligations.
- Severance represents the reversal of 2018 Severance charges, which were deferred as a result of a partial settlement in the Duke Energy Carolinas and Duke Energy Progress 2019 North Carolina rate cases.

Adjusted EPS Guidance

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 10, 2022, include a reference to revised forecasted 2021 adjusted earnings guidance range of \$5.15 to \$5.30 per share, narrowed from the original forecasted 2021 adjusted earnings guidance range of \$5.00 to \$5.30 per share during the third quarter of 2021. In addition, the materials reference the midpoint of original forecasted 2021 adjusted earnings guidance of approximately \$5.15. The materials also include a reference to the preliminary estimate of 2022 adjusted EPS guidance range of \$5.30 to \$5.60. In addition, the materials reference a preliminary estimate of the 2022 adjusted EPS midpoint of approximately \$5.45. The materials also reference the long-term range of annual growth of 5% - 7% through 2026 off the midpoint of original 2021 adjusted EPS guidance range of \$5.15. In addition, the materials reference the expected five-year adjusted EPS growth in the natural gas segment of 8%-10% and in the electric segment of 5%-7% (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 10, 2022, include a discussion of adjusted segment income (loss) and adjusted other net loss for the year-to-date period ended December 31, 2021 and a discussion of 2021 and 2022 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, 2021, 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 10, 2022, 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, 2021. The materials also include a discussion of the 2021 and 2022 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, 2021, 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 10, 2022 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 10, 2022, 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, 2021. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents. A reconciliation of available liquidity as of December 31, 2021, 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 10, 2022 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), including current maturities, 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 10, 2022 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, operating activities allocated to the Duke Energy Indiana minority interest 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, long-term debt allocated to the Duke Energy Indiana minority interest, and long-term debt associated with the CR3 and Duke Energy Carolinas and Duke Energy Progress Storm Securitizations), including current maturities, operating lease liabilities, plus notes payable, commercial paper outstanding, underfunded pension liability, 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 10, 2022, 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, 2019 and 2016, as well as the forecasted year-to-date period ended December 31, 2022.

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.

The materials also reference Piedmont Natural Gas Company, Inc. (Piedmont) Net regulated Gas O&M for the year ended December 31, 2016. Piedmont O&M is a non-GAAP finance measure, as it represents reported O&M expense as of December 31, 2016, adjusted for special items.

Management believes the presentation of net regulated Electric and Gas O&M and Piedmont Net regulated 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 and Piedmont Net regulated 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, 2019 and 2016, as well as the forecasted year-to-date period ended December 31, 2022, and a reconciliation of Piedmont O&M for the year-to-date period ended October 31, 2016, 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 10, 2022, reference ninety-five percent of earnings coming from regulated electric and gas utilities, eighty-six percent from regulated electric and nine percent from regulated gas, and five percent coming from commercial renewables, as a percentage of total 2021 adjusted segment income (i.e. earnings contribution). The materials also reference each segment’s 2022 projected adjusted segment income as a percentage of the total projected 2022 adjusted EPS midpoint of approximately \$5.45 (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).

Dividend Payout Ratio

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 10, 2022, include a discussion of Duke Energy's long-term target dividend payout ratio of 65% - 75% based upon adjusted EPS. This payout ratio is a non-GAAP financial measure as it is based upon forecasted basic EPS from continuing operations available to Duke Energy Corporation stockholders, adjusted for the per-share impact of special items, as discussed above under Adjusted EPS. The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders. 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.

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Year Ended December 31, 2021
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items			Discontinued Operations	Total Adjustments	Adjusted Earnings
		Gas Pipeline Investments	Workplace and Workforce Realignment	Regulatory Settlements			
SEGMENT INCOME (LOSS)							
Electric Utilities and Infrastructure	\$ 3,850	\$ —	\$ —	\$ 69	C \$ —	\$ 69	\$ 3,919
Gas Utilities and Infrastructure	396	15	A —	—	—	15	411
Commercial Renewables	201	—	—	—	—	—	201
Total Reportable Segment Income	4,447	15	—	69	—	84	4,531
Other	(652)	—	148	B	—	148	(504)
Discontinued Operations	7	—	—	—	(7)	D (7)	—
Net Income Available to Duke Energy Corporation Common Stockholders	\$ 3,802	\$ 15	\$ 148	\$ 69	\$ (7)	\$ 225	\$ 4,027
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ 4.94	\$ 0.02	\$ 0.20	\$ 0.09	\$ (0.01)	\$ 0.30	\$ 5.24

A - Net of \$5 million tax benefit. \$20 million recorded within Equity in earnings (losses) of unconsolidated affiliates related to exit obligations for ACP on the Consolidated Statements of Operations.

B - Net of \$44 million tax benefit. \$133 million recorded within Impairment of assets and other charges, \$42 million within Operations, maintenance and other, and \$17 million within Depreciation and amortization related to costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment on the Consolidated Statements of Operations.

C - Net of \$20 million tax benefit at Duke Energy Carolinas and \$1 million tax benefit at Duke Energy Progress.

- \$160 million of expense recorded within Impairment of assets and other charges, \$77 million of income within Other income and expenses, \$5 million of expense within Operations, maintenance and other, \$13 million of income within Regulated electric operating revenues, \$3 million of expense within Interest expense and \$6 million of expense within Depreciation and amortization on the Duke Energy Carolinas' Consolidated Statement of Operations related to the South Carolina Supreme Court decision on coal ash and insurance proceeds.
- \$42 million of expense recorded within Impairment of assets and other charges, \$34 million of income within Other income and expenses, \$7 million of expense within Operations, maintenance and other, \$15 million of income within Regulated electric operating revenues, \$5 million of expense within Interest expense and \$1 million of expense within Depreciation and amortization on the Duke Energy Progress' Consolidated Statement of Operations related to the South Carolina Supreme Court decision on coal ash and insurance proceeds.

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

Weighted Average Shares (reported and adjusted) – 769 million

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			
SEGMENT INCOME (LOSS)							
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
Total Reportable Segment Income	1,689	1,711	—	872	—	2,583	4,272
Other	(426)	\$ —	(75) C	—	—	(75)	(501)
Discontinued Operations	7	—	—	—	(7) E	(7)	—
Net Income Available to Duke Energy Corporation Common Stockholders	\$ 1,270	\$ 1,711	\$ (75)	\$ 872	\$ (7)	\$ 2,501	\$ 3,771
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ 1.72	\$ 2.32	\$ (0.10)	\$ 1.19	\$ (0.01)	\$ 3.40	\$ 5.12

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 earnings (losses) 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
EFFECTIVE TAX RECONCILIATION
December 2021
(Dollars in millions)

	Three Months Ended		Year Ended	
	December 31, 2021		December 31, 2021	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income Before Income Taxes From Continuing Operations Before Income Taxes	\$ 639		\$ 3,764	
Gas Pipeline Investments	—		20	
Workplace and Workforce Realignment	8		192	
Regulatory Settlements	7		90	
Noncontrolling Interests	79		326	
Preferred Dividends	(14)		(106)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	\$ 719		\$ 4,286	
Reported Income Tax (Benefit) Expense From Continuing Operations	\$ (18)	(2.8)%	\$ 192	5.1 %
Gas Pipeline Investments	—		5	
Workplace and Workforce Realignment	2		44	
Regulatory Settlements	2		21	
Noncontrolling interest portion of income taxes ^(a)	(3)		(3)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	\$ (17)	(2.4)%	\$ 259	6.0 %

(a) Income tax related to non-pass through entities for tax purposes.

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

Duke Energy Corporation
Available Liquidity Reconciliation
As of December 31, 2021
(In millions)

Cash and Cash Equivalents	\$ 343	
Less: Certain Amounts Held in Foreign Jurisdictions	(29)	
Less: Unavailable Domestic Cash	<u>(43)</u>	
	271	
Plus: Remaining Availability under Master Credit Facilities and other facilities	<u>5,518</u>	
Total Available Liquidity (a), December 31, 2021	<u>\$ 5,789</u>	approximately 5.8 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, 2021. 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)

	<u>Actual</u> <u>December 31, 2016</u>	<u>Actual</u> <u>December 31, 2019</u>	<u>Forecast</u> <u>December 31, 2022</u>
Operation, maintenance and other^(a)	\$6,223	\$6,066	\$6,025
Adjustments:			
Costs to Achieve, Mergers ^(b)	(238)	–	–
Severance ^(b)	(92)	–	–
Reagents Recoverable ^{(d) (j)}	(93)	(95)	(95)
Energy Efficiency Recoverable ^(c)	(417)	(415)	(409)
Other Deferrals ^(e) and Recoverable ^{(d) (h) (i)}	(95)	(321)	(233)
Margin based O&M for Commercial Businesses	(185)	(95)	(159)
Short-term incentive payments (over)/under budget	(90)	(112)	–
Non-margin based O&M for Commercial Business ^(f)	(166)	(203)	(319)
Non-regulated Products and Services ^(g)	(83)	(175)	(219)
Net Regulated Electric and Gas, operation, maintenance and other	<u>\$ 4,764</u>	<u>\$ 4,651</u>	<u>\$ 4,589</u>
Piedmont O&M, for the period from October 3, 2016 through December 31, 2016	(69)		
Net Regulated Electric and Gas, operation, maintenance and other, excluding Piedmont^(k)	<u>\$ 4,695</u>		

(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 expenses from the Commercial Renewables segment.

(g) Primarily represents non-regulated products and services expenses in support of regulated electric and gas utilities.

(h) Florida Vegetation Management has been reclassified to recoverable in the rate case effective in 2022. Accordingly, all prior periods have been recast for comparability.

(i) The Duke Energy Florida Rate Case effective 2022 permits within base rates the recovery of environmental costs (ECRC) which were previously recovered in riders. Accordingly, all prior periods have been recast for comparability.

(j) Duke Energy Indiana Reagents have been reclassified to Recoverable effective in 2022. Accordingly, all prior periods have been recast for comparability.

(k) Net regulated electric and gas, operating maintenance and other, excluding Piedmont presents Net regulated electric and gas O&M for the year ended December 31, 2016, without the operations of Piedmont Natural Gas, which was acquired on October 3, 2016.

Piedmont Natural Gas Company, Inc.
Operations, Maintenance and Other Expense
(In millions)

		Actual
Operation, maintenance and other ^(a) - Piedmont Natural Gas Company, Inc. 10-K	\$	353
Less:		
Operation, maintenance and other ^(b) - Piedmont Natural Gas Company, Inc. 2015 November and December Activity		53
Add:		
Operation, maintenance and other ^(b) - Piedmont Natural Gas Company, Inc. 2016 November and December Activity		52
Operation, maintenance and other - Piedmont Natural Gas Company, Inc. for the year ending December 31, 2016	\$	352
Adjustments:		
Costs to Achieve, Mergers ^(c)		(63)
Piedmont, Net Regulated Gas O&M for the year ending December 31, 2016	\$	289

(a) As reported in the 2016 Form 10-K Piedmont Natural Gas Condensed Consolidated Statements of Operations and Comprehensive Income as of October 31, 2016.

(b) As reported in the 2016 Form 10-QT Piedmont Natural Gas Condensed Consolidated Statements of Operations and Comprehensive

(c) Primarily represents expenses for acquisition consummation costs, integration, and other related costs in connection with Duke Energy Corporation's acquisition October 3, 2016.

DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2021
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 2021	\$ 1,336	\$ 991	\$ 2,327	\$ 738	\$ 481	\$ 219 (2)	\$ 303 (3)
Special Items (1)	130	31	161	22	11	-	10
Adjusted Net Income 2021	1,466	1,022	2,488	760	492	219	313
2021							
Equity	13,891	9,551	23,442	8,295	5,015	4,464	3,277 (4)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	13,891	9,551	23,442	8,295	5,015	3,544	3,228
2020							
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
Average Equity less Goodwill			22,928	7,927	4,899	3,280	2,913
Adjusted Book ROEs			10.9%	9.6%	10.0%	6.7%	10.7%

(1) Impacts of Regulatory Settlements for coal ash, net of tax and Workplace and Workforce Realignment, net of tax

(2) Net Income for 2021 equals Duke Energy Ohio reportable segments segment income

(3) Piedmont Natural Gas Net Income excludes \$7 million of income related to Investments in Gas Transmission Infrastructure.

2021
310
(7)
303

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

	2021	2020
Reported Equity for Piedmont Natural Gas	3,349	2,715
Less: Investments in Gas Transmission Infrastructure	72	68
Piedmont Natural Gas Adjusted Equity	3,277	2,647

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
2020							
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
2019							
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
2019							
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
2018							
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
2022 Forecasted Cash Flow Reconciliation, Required by SEC Regulation G
February 10, 2022
(\$ in millions)

		Forecast 2022
Primary Sources:		
Adjusted net income (1)	(a)	\$4,195
Depreciation & amortization	(a)	5,885
Deferred and accrued taxes	(a)	350
Other sources / (uses), net	(a)	(1,180)
Total Sources		9,250
Primary Uses:		
Capital expenditures (including discretionary)	(b)	(12,350)
Dividends	(c)	(3,065)
Total Uses		(15,415)
Uses in Excess of Sources		(6,165)
Net Change in Financing		
Debt issuances	(c, d)	9,650
Debt maturities	(c)	(3,620)
Net Change in Debt		6,030
Net Change in Cash		(\$135)
Reconciliations to forecasted U.S. GAAP reporting amounts:		
Operating cash flow components, sum of (a) from above		\$9,250
Reconciling items to GAAP cash flows from operating activities	(2)	465
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows		\$9,715
Investing cash flow components, (b) from above		(\$12,350)
Reconciling items to GAAP cash flows from investing activities	(2)	(1,110)
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows		(\$13,460)
Financing cash flow components, sum of (c) from above		\$2,965
Reconciling items to GAAP cash flows from financing activities	(2)	645
Net cash provided by financing activities per GAAP Consolidated Statement of Cash Flows		\$3,610
<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 decrease in cash and cash equivalents per forecasted GAAP Consolidated Statements of Cash Flows		(\$135)

Notes:

(1) The forecasted adjusted net income of \$4,195 million for 2022 is an illustrative amount based on the midpoint of Duke Energy's adjusted basic EPS outlook range of \$5.30-\$5.60 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; an adjustment for investing cash flow items (principally cost of removal expenditures, proceeds from sales of equity investments and other assets, and 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,
2021
Actual

Cash From Operations	8,290
Adjust for Working Capital (1)	947
Coal ash ARO spend	439
Include Capitalized Interest as cost	(72)
Hybrid interest adjustment	10
Preferred stock adjustment	(53)
CR3 securitization adjustment	(56)
Storm securitization	(4)
Duke Energy Indiana minority interest adjustment	(43)
Lease-imputed FFO adjustment (D&A)	206
Funds From Operations	9,664
Notes payable and commercial paper	3,304
Current maturities of LT debt	3,387
LT debt	60,448
Less: Purchase Accounting adjustments	(1,506)
CR3 securitization	(1,002)
Storm securitization	(995)
Duke Energy Indiana minority interest adjustment	(518)
Underfunded Pension	343
Hybrid debt adjustment	(250)
Preferred stock adjustment	1,000
Operating lease liabilities	1,261
Total Balance Sheet Debt (Including ST)	65,472
(1) Working capital detail, excluding MTM	
Receivables	(297)
Inventory	(34)
Other current assets	(1,136)
Accounts payable	249
Taxes accrued	284
Other current liabilities	(13)
	(947)

FFO / Debt

15%

FFO to Debt Calculation**Duke Energy Carolinas**

(in millions)

Year Ended December 31,

2021

Actual

Cash From Operations	2,704
Adjust for Working Capital (1)	233
ARO spend	182
Include Capitalized Interest as cost	(29)
Storm securitization	(1)
Lease-imputed FFO adjustment (D&A)	40
Funds From Operations	3,129
Current maturities of LT debt	362
LT debt	12,595
LT debt payable to affiliates	318
Notes payable to affiliated companies	226
Storm securitization	(233)
Underfunded Pension	12
Operating lease liabilities	100
Total Balance Sheet Debt (Including ST)	13,380
(1) Working capital detail, excluding MTM	
Receivables	(99)
Receivables from affiliates	(66)
Inventory	(16)
Other current assets	(309)
Accounts payable	5
Accounts payable to affiliates	85
Taxes accrued	206
Other current liabilities	(39)
	(233)

FFO / Debt**23%**

FFO to Debt Calculation**Duke Energy Progress**

(in millions)

Year Ended December 31,

2021

Actual

Cash From Operations	1,956
Adjust for Working Capital (1)	76
Coal ash ARO spend	187
Include Capitalized Interest as cost	(14)
Storm securitization	(3)
Lease-imputed FFO adjustment (D&A)	73
Funds From Operations	2,275
Notes payable to affiliated companies	172
Current maturities of LT debt	556
LT debt	9,543
LT debt payable to affiliates	150
Storm securitization	(762)
Underfunded Pension	31
Operating lease liabilities	400
Total Balance Sheet Debt (Including ST)	10,090

(1) Working capital detail, excluding MTM

Receivables	(52)
Receivables from affiliates	(33)
Inventory	(11)
Other current assets	(147)
Accounts payable	12
Accounts payable to affiliates	95
Taxes accrued	83
Other current liabilities	(23)
	(76)

FFO / Debt**23%**

FFO to Debt Calculation**Duke Energy Florida**

(in millions)

Year Ended December 31,

2021

Actual

Cash From Operations	1,402
Adjust for Working Capital (1)	390
Include Capitalized Interest as cost	(6)
Adjust for CR3	(56)
Lease-imputed FFO adjustment (D&A)	62
Funds From Operations	1,792
Notes payable to affiliated companies	199
Current maturities of LT debt	76
LT debt	8,406
Adjust for CR3	(1,002)
Underfunded Pension	42
Operating lease liabilities	300
Total Balance Sheet Debt (Including ST)	8,021
(1) Working capital detail, excluding MTM	
Receivables	(45)
Receivables from affiliates	(13)
Inventory	(15)
Other current assets	(451)
Accounts payable	47
Accounts payable to affiliates	124
Taxes accrued	(30)
Other current liabilities	(7)
	(390)

FFO / Debt**22%**

FFO to Debt Calculation**Duke Energy Indiana**

(in millions)

**Year Ended December 31,
2021
Actual**

Cash From Operations	1,004
Adjust for Working Capital (1)	50
Coal ash ARO spend	67
Include Capitalized Interest as cost	17
Lease-imputed FFO adjustment (D&A)	16
Funds From Operations	1,154
Current maturities of LT debt	84
LT debt	4,089
LT debt payable to affiliates	150
CRC	196
Underfunded pension	114
Operating lease liabilities	54
Total Balance Sheet Debt (Including ST)	4,687
(1) Working capital detail, excluding MTM	
Receivables	(33)
Inventory	55
Other current assets	(181)
Accounts payable	76
Accounts payable to affiliates	8
Taxes accrued	12
Other current liabilities	13
	(50)

FFO / Debt**25%**

FFO to Debt Calculation**Duke Energy Ohio**

(in millions)

**Year Ended December 31,
2021
Actual**

Cash From Operations	559
Adjust for Working Capital (1)	14
Coal Ash ARO spend	2
Include capitalized Interest as cost	(20)
Lease-imputed FFO adjustment (D&A)	10
Funds From Operations	565
Notes payable to affiliated companies	103
LT debt	3,168
LT debt payable to affiliates	25
CRC	153
Underfunded pension	90
Operating lease liabilities	19
Total Balance Sheet Debt (Including ST)	3,558
(1) Working capital detail, excluding MTM	
Receivables	6
Receivables from affiliates	(25)
Inventory	(6)
Other current assets	(60)
Accounts payable	38
Accounts payable to affiliates	(4)
Taxes accrued	26
Other current liabilities	11
	(14)

FFO / Debt **16%**

FFO to Debt Calculation**Piedmont Natural Gas**

(in millions)

Year Ended December 31,

2021

Actual

Cash From Operations	391
Adjust for Working Capital (1)	138
Include Capitalized Interest as cost	(9)
Lease-imputed FFO adjustment (D&A)	6
Funds From Operations	526
Notes payable to affiliated companies	518
LT debt	2,968
Underfunded pension	3
Operating lease liabilities	19
Total Balance Sheet Debt (Including ST)	3,508
(1) Working capital detail, excluding MTM	
Receivables	(77)
Receivables from affiliates	(1)
Inventory	(40)
Other current assets	33
Accounts payable	(25)
Accounts payable to affiliates	(39)
Taxes accrued	37
Other current liabilities	(26)
	(138)

FFO / Debt**15%**