Duke Energy Corporation
Non-GAAP Reconciliations
Fourth Quarter Earnings Review & Business Update
February 9, 2023

Adjusted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) Fourth Quarter Earnings Review and Business Update on February 9, 2023, include a discussion of adjusted EPS for the year-to-date periods ended December 31, 2022 and 2021.

The non-GAAP financial measure, adjusted EPS, represents basic EPS from continuing operations 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, 2022 and 2021, 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:

- Regulatory matters and litigation represents the net impact of charges related to the 2022 Indiana Supreme Court ruling on coal ash and other unrelated ongoing litigation.
- Workplace and workforce realignment represents costs attributable to business transformation, including long-term real estate strategy changes and workforce reduction.
- Regulatory settlements represents an impairment charge related to the South Carolina Supreme Court decision on coal ash, insurance proceeds and the Duke Energy Carolinas and Duke Energy Progress coal ash settlement.
- Gas pipeline investments represents additional exit obligations related to ACP.

Adjusted EPS Guidance

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 9, 2023, include a reference to the revised forecasted 2022 adjusted earnings guidance range of $5.20 to $5.30 per share. The materials also include a reference to the 2023 adjusted EPS guidance range of $5.55 to $5.75, with a midpoint of $5.65. The materials also reference the long-term range of annual growth of 5% - 7% through 2027 off the midpoint of 2023 adjusted EPS guidance range of $5.65. 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 from continuing operations 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 9, 2023, include a discussion of adjusted segment income (loss) and adjusted other net loss for the year-to-date period ended December 31, 2022 and a discussion of 2022 and 2023 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. 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. A reconciliation of adjusted segment income (loss) and adjusted other net loss for the year-to-date period ended December 31, 2022, 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 Noncontrolling Interests and Preferred Dividends and Excluding Special Items

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 9, 2023, include a discussion of the effective tax rate including noncontrolling interests and preferred dividends and excluding special items for the year-to-date period ended December 31, 2022. The materials also include a discussion of the 2022 and 2023 forecasted effective tax rate including noncontrolling interests and preferred dividends and excluding special items. Effective tax rate including 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 noncontrolling interests and preferred dividends. A reconciliation of this non-GAAP financial measure for the year-to-date period ended December 31, 2022, to the most directly comparable GAAP measure is included herein. Due to the forward-looking nature of the forecasted effective tax rates including 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 9, 2023 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 9, 2023, 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, and the remaining availability under Duke Energy's available credit facilities, including the master credit facility as of December 31, 2022. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents. A reconciliation of available liquidity as of December 31, 2022, 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 9, 2023 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 9, 2023 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, long-term portion of deferred fuel, 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 9, 2023, include a discussion of Duke Energy's net regulated Electric and Gas operating, maintenance and other expenses (O&M) for the forecasted year-to-date periods ended December 31, 2024 through December 31, 2027.

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-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.

Earnings Contribution Percentage

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 9, 2023, reference each segment's 2023 projected adjusted segment income as a percentage of the total projected 2023 adjusted EPS midpoint of approximately $5.65 (i.e. earnings contribution), excluding the impact of Other. Duke Energy's segments are comprised of Electric Utilities and Infrastructure and Gas Utilities and Infrastructure.

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 9, 2023, 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, 2022
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items: Regulatory Matters and Litigation	Special Items: Workplace and Workforce Realignment	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME (LOSS)						
Electric Utilities and Infrastructure	**$ 4,048**	$ 157 **A**	$ —	$ —	$ 157	$ 4,205
Gas Utilities and Infrastructure	**468**	—	—	—	—	468
Total Reportable Segment Income	**4,516**	**157**	**—**	**—**	**157**	**4,673**
Other	**(737)**	19 **B**	105 **C**	—	124	(613)
Intercompany Eliminations	**(1)**	—	—	1	1	—
Discontinued Operations	**(1,215)**	—	—	1,215 **D**	1,215	—
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 2,563**	**$ 176**	**$ 105**	**$ 1,216**	**$ 1,497**	**$ 4,060**
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	**$ 3.33**	**$ 0.23**	**$ 0.14**	**$ 1.57**	**$ 1.94**	**$ 5.27**

A – Net of $80 million tax benefit. $211 million recorded within Impairment of assets and other charges, $46 million within Regulated electric (Operating revenues) and $20 million within Noncontrolling Interests related to the Duke Energy Indiana Supreme Court ruling on the Consolidated Statements of Operations.

B – Net of $6 million tax benefit. $25 million recorded within Operations, maintenance and other related to litigation on the Consolidated Statements of Operations.

C – Net of $31 million tax benefit. $72 million recorded within Impairment of assets and other charges, $71 million recorded within Operations, maintenance and other and a $7 million gain recorded in Gains on sales of other assets and other related to costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment on the Consolidated Statements of Operations.

D – Recorded in Loss from Discontinued Operations, net of tax, and Net Loss Attributable to Noncontrolling Interests on the Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 770 million

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

		Special Items					
	Reported Earnings	Gas Pipeline Investments	Workplace and Workforce Realignment	Regulatory Settlements	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME (LOSS)							
Electric Utilities and Infrastructure	**$ 3,850**	$ —	$ —	$ 69 **C**	$ —	$ 69	$ 3,919
Gas Utilities and Infrastructure	**396**	15 **A**	—	—	—	15	411
Total Reportable Segment Income	**4,246**	**15**	**—**	**69**	**—**	**84**	**4,330**
Other	**(641)**	—	148 **B**	—	—	148	(493)
Intercompany Eliminations	**(3)**	—	—	—	3	3	—
Discontinued Operations	**200**	—	—	—	(200) **D**	(200)	—
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 3,802**	**$ 15**	**$ 148**	**$ 69**	**$ (197)**	**$ 35**	**$ 3,837**
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	**$ 4.94**	**$ 0.02**	**$ 0.20**	**$ 0.09**	**$ (0.26)**	**$ 0.05**	**$ 4.99**

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 Loss from Discontinued Operations, net of tax, and Net Loss Attributable to Noncontrolling Interests on the Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 769 million

DUKE ENERGY CORPORATION
EFFECTIVE TAX RECONCILIATION
December 2022
(Dollars in millions)

	Three Months Ended December 31, 2022		Year Ended December 31, 2022	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income Before Income Taxes From Continuing Operations Before Income Taxes	$ 813		$ 4,253	
Regulatory Matters and Litigation	25		282	
Workplace and Workforce Realignment	136		136	
Noncontrolling Interests	(11)		(56)	
Preferred Dividends	(14)		(106)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 949		$ 4,509	
Reported Income Tax Expense From Continuing Operations	$ 45	5.5 %	$ 342	8.0 %
Regulatory Matters and Litigation	6		86	
Workplace and Workforce Realignment	31		31	
Noncontrolling interest portion of income taxes[(a)]	(2)		(10)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 80	8.4%	$ 449	10.0 %

	Three Months Ended December 31, 2021		Year Ended December 31, 2021	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	$ 701		$ 3,991	
Regulatory Settlements	7		90	
Gas Pipeline Investments	—		20	
Workplace and Workforce Realignment	8		192	
Noncontrolling Interests	(12)		(18)	
Preferred Dividends	(14)		(106)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 690		$ 4,169	
Reported Income Tax Expense From Continuing Operations	$ 1	0.1 %	$ 268	6.7 %
Regulatory Settlements	2		21	
Gas Pipeline Investments	—		5	
Workplace and Workforce Realignment	2		44	
Noncontrolling interest portion of income taxes[(a)]	$ (3)		$ (3)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 2	0.3%	$ 335	8.0 %

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

Duke Energy Corporation
Available Liquidity Reconciliation
As of December 31, 2022
(In millions)

Cash and Cash Equivalents	$ 419	
Less: Certain Amounts Held in Foreign Jurisdictions	(7)	
Less: Unavailable Domestic Cash	(36)	
	376	
Plus: Remaining Availability under Master Credit Facilities and other facilities	5,194	
Total Available Liquidity [(a)]	$ 5,570	approximately $5.6 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, 2022. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents.

DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2022
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 2022	$ 1,600	$ 1,008	$ 2,608	$ 909	$ 270	$ 310 [2]	$ 317 [3]
Special Items [1]	58	11	69	11	183	4	14
Adjusted Net Income 2022	1,658	1,019	2,677	920	453	314	331
2022							
Equity	15,442	10,309	25,751	9,023	4,836	4,766	3,588 [4]
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	15,442	10,309	25,751	9,023	4,836	3,846	3,539
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
Average Equity less Goodwill			24,597	8,659	4,926	3,695	3,384
Adjusted Book ROEs			10.9%	10.6%	9.2%	8.5%	9.8%

(1) Impacts of Regulatory Matters & Litigation, net of tax and Workplace and Workforce Realignment, net of tax

(2) Net Income for 2022 equals Duke Energy Ohio reportable segments segment income

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

2022
323
(6)
317

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

	2022	2021
Reported Equity for Piedmont Natural Gas	3,673	3,349
Less: Investments in Gas Transmission Infrastructure	85	72
Piedmont Natural Gas Adjusted Equity	3,588	3,277

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

FFO to Debt Calculation
Duke Energy Corporation
(in millions)

	Year Ended December 31, 2022 Actual
Cash From Operations	5,927
Adjust for Working Capital (1)	2,100
Coal ash ARO spend	486
Include Capitalized Interest as cost	(118)
Hybrid interest adjustment	11
Preferred stock adjustment	(54)
CR3 securitization adjustment	(62)
Storm securitization	(51)
Duke Energy Indiana minority interest adjustment	(122)
Lease-imputed FFO adjustment (D&A)	180
Adjustment for Long-term Deferred Fuel Impacts	1,198
Funds From Operations	**9,495**
Notes payable and commercial paper	3,952
Current maturities of LT debt	4,154
LT debt	67,061
Less: Purchase Accounting adjustments	(1,333)
CR3 securitization	(946)
Storm securitization	(976)
Duke Energy Indiana minority interest sale adjustment	(1,004)
Underfunded Pension	481
Hybrid debt adjustment	(250)
Preferred stock adjustment	981
Lease imputed debt	1,056
Total Balance Sheet Debt (Including ST)	**73,176**
(1) Working capital detail, excluding MTM	
Receivables	(788)
Inventory	(476)
Other current assets	(1,498)
Accounts payable	805
Taxes accrued	10
Other current liabilities	(153)
	(2,100)
FFO / Debt	**13%**

FFO to Debt Calculation
Duke Energy Carolinas
(in millions)

	Year Ended December 31, 2022 Actual
Cash From Operations	1,569
Adjust for Working Capital (1)	867
ARO spend	200
Include Capitalized Interest as cost	(50)
Storm securitization	(12)
Lease-imputed FFO adjustment (D&A)	34
Adjustment for Long-term Deferred Fuel Impacts	668
Funds From Operations	**3,276**
Notes payable to affiliated companies	1,233
Current maturities of LT debt	1,018
LT debt	12,948
LT debt payable to affiliates	300
Storm securitization	(228)
Underfunded Pension	10
Lease imputed debt	97
Total Balance Sheet Debt (Including ST)	**15,378**
(1) Working capital detail, excluding MTM	
Receivables	(102)
Receivables from affiliates	(200)
Inventory	(138)
Other current assets	(592)
Accounts payable	377
Accounts payable to affiliates	(75)
Taxes accrued	(46)
Other current liabilities	(91)
	(867)
FFO / Debt	**21%**

FFO to Debt Calculation
Duke Energy Progress
(in millions)

	Year Ended December 31, 2022 Actual
Cash From Operations	1,501
Adjust for Working Capital (1)	317
Coal ash ARO spend	193
Include Capitalized Interest as cost	(19)
Storm securitization	(39)
Lease-imputed FFO adjustment (D&A)	64
Adjustment for Long-term Deferred Fuel Impacts	235
Funds From Operations	**2,252**
Notes payable to affiliated companies	238
Current maturities of LT debt	369
LT debt	10,568
LT debt payable to affiliates	150
Storm securitization	(748)
Underfunded Pension	24
Lease imputed debt	386
Total Balance Sheet Debt (Including ST)	**10,987**
(1) Working capital detail, excluding MTM	
Receivables	(228)
Receivables from affiliates	58
Inventory	(85)
Other current assets	(207)
Accounts payable	20
Accounts payable to affiliates	198
Taxes accrued	(86)
Other current liabilities	13
	(317)
FFO / Debt	**20%**

FFO to Debt Calculation
Duke Energy Florida
(in millions)

	Year Ended December 31, 2022 Actual
Cash From Operations	842
Adjust for Working Capital (1)	583
Include Capitalized Interest as cost	(7)
Adjust for CR3	(62)
Lease-imputed FFO adjustment (D&A)	58
Adjustment for Long-term Deferred Fuel Impacts	295
Funds From Operations	**1,709**
Notes payable to affiliated companies	605
Current maturities of LT debt	328
LT debt	9,381
Adjust for CR3	(946)
Underfunded Pension	32
Lease imputed debt	256
Total Balance Sheet Debt (Including ST)	**9,656**
(1) Working capital detail, excluding MTM	
Receivables	(93)
Receivables from affiliates	14
Inventory	(98)
Other current assets	(640)
Accounts payable	202
Accounts payable to affiliates	(32)
Taxes accrued	2
Other current liabilities	62
	(583)
FFO / Debt	**18%**

FFO to Debt Calculation
Duke Energy Ohio
(in millions)

	Year Ended December 31, 2022 Actual
Cash From Operations	582
Adjust for Working Capital (1)	34
Coal Ash ARO spend	12
Include capitalized Interest as cost	(14)
Lease-imputed FFO adjustment (D&A)	9
Funds From Operations	**623**
Notes payable to affiliated companies	497
Current maturities of LT debt	475
LT debt	2,745
LT debt payable to affiliates	25
CRC	189
Underfunded pension	51
Lease imputed debt	18
Total Balance Sheet Debt (Including ST)	**4,000**
(1) Working capital detail, excluding MTM	
Receivables	23
Receivables from affiliates	(5)
Inventory	(28)
Other current assets	(55)
Accounts payable	44
Accounts payable to affiliates	8
Taxes accrued	42
Other current liabilities	(63)
	(34)
FFO / Debt	**16%**

FFO to Debt Calculation
Duke Energy Indiana
(in millions)

	Year Ended December 31, 2022 Actual
Cash From Operations	1,101
Adjust for Working Capital (1)	(89)
Coal ash ARO spend	82
Include Capitalized Interest as cost	(3)
Lease-imputed FFO adjustment (D&A)	16
Funds From Operations	**1,107**
Notes payable to affiliates	435
Current maturities of LT debt	303
LT debt	3,854
LT debt payable to affiliates	150
CRC	161
Underfunded pension	90
Lease imputed debt	51
Total Balance Sheet Debt (Including ST)	**5,044**
(1) Working capital detail, excluding MTM	
Receivables	(3)
Receivables from affiliates	20
Inventory	(70)
Other current assets	(3)
Accounts payable	105
Accounts payable to affiliates	(3)
Taxes accrued	34
Other current liabilities	9
	89
FFO / Debt	**22%**

FFO to Debt Calculation
Piedmont Natural Gas
(in millions)

	Year Ended December 31, 2022 Actual
Cash From Operations	507
Adjust for Working Capital (1)	44
Include Capitalized Interest as cost	(4)
Lease-imputed FFO adjustment (D&A)	5
Funds From Operations	**552**
Notes payable to affiliated companies	514
Current maturities of LT Debt	45
LT debt	3,318
Underfunded pension	3
Lease imputed debt	13
Total Balance Sheet Debt (Including ST)	**3,893**
(1) Working capital detail, excluding MTM	
Receivables	(111)
Inventory	(63)
Other current assets	32
Accounts payable	40
Accounts payable to affiliates	11
Taxes accrued	11
Other current liabilities	36
	(44)
FFO / Debt	**14%**