Barclays CEO Energy-Power Conference







September 7, 2017

PRESENTED BY:
LYNN GOOD| Chairman, President & CEO

Safe Harbor statement

This presentation includes forward-looking statements within the meaning of the federal securities laws. Actual results could differ materially from such forward-looking statements. The factors that could cause actual results to differ are discussed in the Appendix herein and in Duke Energy's SEC filings, available at www.sec.gov.

Regulation G disclosure

In addition, today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available at the end of this presentation and on our Investor Relations website at www.duke-energy.com/investors/.

Duke Energy – A large scale, highly regulated energy infrastructure company

HEADQUARTERED IN CHARLOTTE, NC

DUK
LISTED
NYSE

A FORTUNE 125 COMPANY

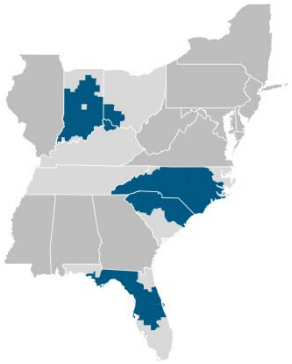
$61 B
MARKET CAP
(AS OF 8/31/2017)

$133 B
TOTAL ASSETS
(AS OF 12/31/2016)

29 K
EMPLOYEES
(AS OF 12/31/2016)

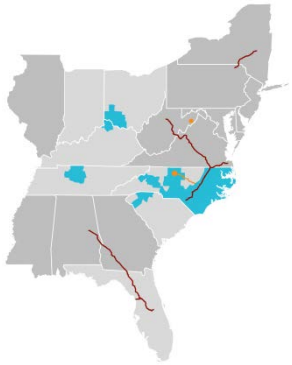
49 GWs
TOTAL GENERATING CAPACITY
(AS OF 12/31/2016)

ELECTRIC UTILITIES & INFRASTRUCTURE



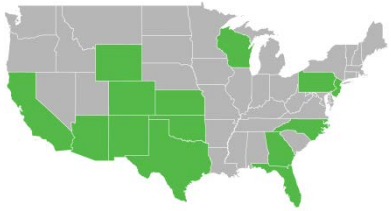
- Operating in six constructive jurisdictions, with attractive allowed ROEs, serving 7.5 million retail customers
- Below average customer rates(1)
- Balanced generation portfolio
- Industry-leading safety performance, as recognized by EEI

GAS UTILITIES & INFRASTRUCTURE



- Five state LDCs serving 1.6 million customers
- Strong earnings trajectory driven by customer growth, system integrity improvements, and continued expansion of natural gas infrastructure
- Significant investments in midstream natural gas pipelines and storage facilities

COMMERCIAL RENEWABLES



- Invested more than $5 billion over the past 10 years
- Approximately 3 GWs of wind and solar on-line
- Long-term Power Purchase Agreements with creditworthy counterparties

(1) *Source: EEI Typical Bills and Average Rates Report, Winter 2017*

Our investor proposition

DUK
LISTED
NYSE

A SOLID LONG-TERM HOLDING

4.1%
DIVIDEND YIELD(1) WITH DIVIDEND GROWTH COMMITMENT(2)

~8-10%
ATTRACTIVE RISK-ADJUSTED TOTAL SHAREHOLDER RETURN(3)

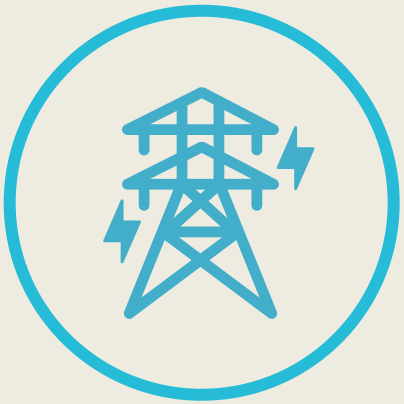
4-6%
HIGHLY ACHIEVABLE EPS GROWTH THROUGH 2021(4)

SUPPORTED BY THE STRENGTH OF OUR BALANCE SHEET

(1) As of Aug. 31, 2017
(2) 4-6% dividend growth subject to approval by the Board of Directors
(3) Total shareholder return proposition at a constant P/E ratio
(4) Based on adjusted diluted EPS off the midpoint of the 2017 guidance range of $4.50-$4.70 per share most recently affirmed in the Second Quarter 2017 Earnings Review and Business Update on Aug. 3, 2017

Advancing our strategic vision

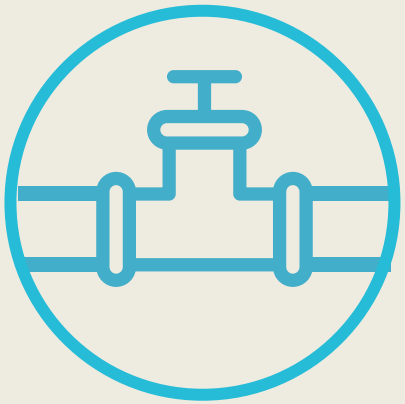
TRANSFORM THE
CUSTOMER EXPERIENCE



MODERNIZE THE
ENERGY GRID



GENERATE
CLEANER ENERGY



EXPAND NATURAL GAS
INFRASTRUCTURE

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STAKEHOLDERS

Consolidated financial plan underpinned by significant growth capital

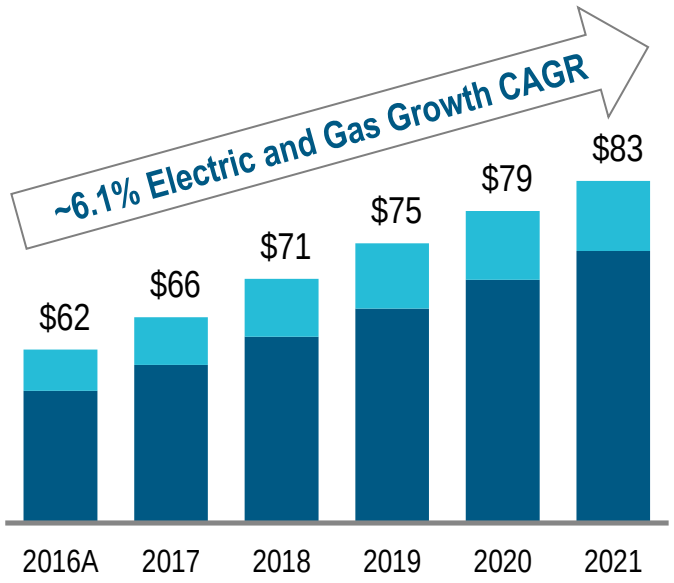
4 - 6%

GROWTH IN EPS[1] THROUGH 2021 OFF 2017 GUIDANCE MIDPOINT OF $4.60

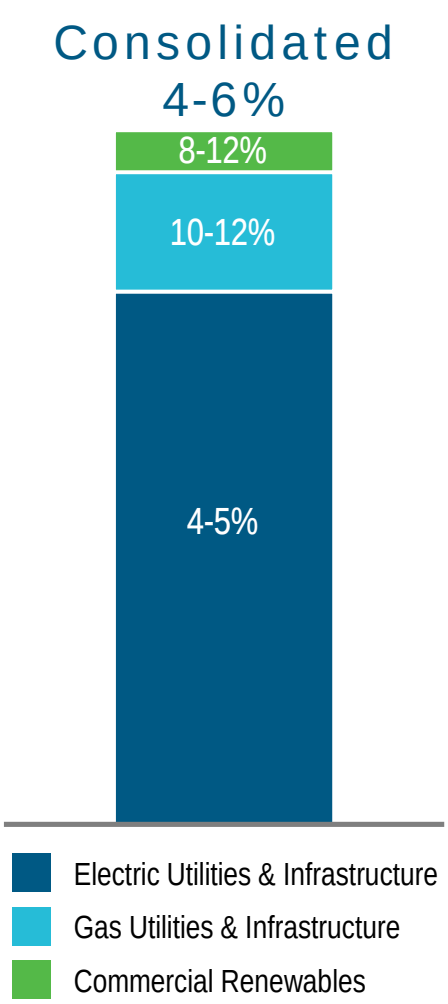
$37 B

GROWTH CAPITAL PLAN OVER 5 YEARS DRIVES ROBUST EARNINGS GROWTH[2]

2017 - 2021[3] REGULATED ELECTRIC AND GAS EARNINGS BASE



2017 – 2021 ADJUSTED EPS CAGR[1]



(1) *Based upon the midpoint of the 2017 adjusted diluted EPS guidance range of $4.50-$4.70 per share most recently affirmed in the Second Quarter 2017 Earnings Review and Business Update on Aug. 3, 2017; consolidated growth rate includes the impact of Other*

(2) *As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017*

(3) *Illustrative earnings base for presentation purposes only and includes retail and wholesale; amounts as of the end of each year shown; projected earnings base = prior period earnings base + capex - D&A - deferred taxes*

Over $1 billion of rate requests underway in North Carolina

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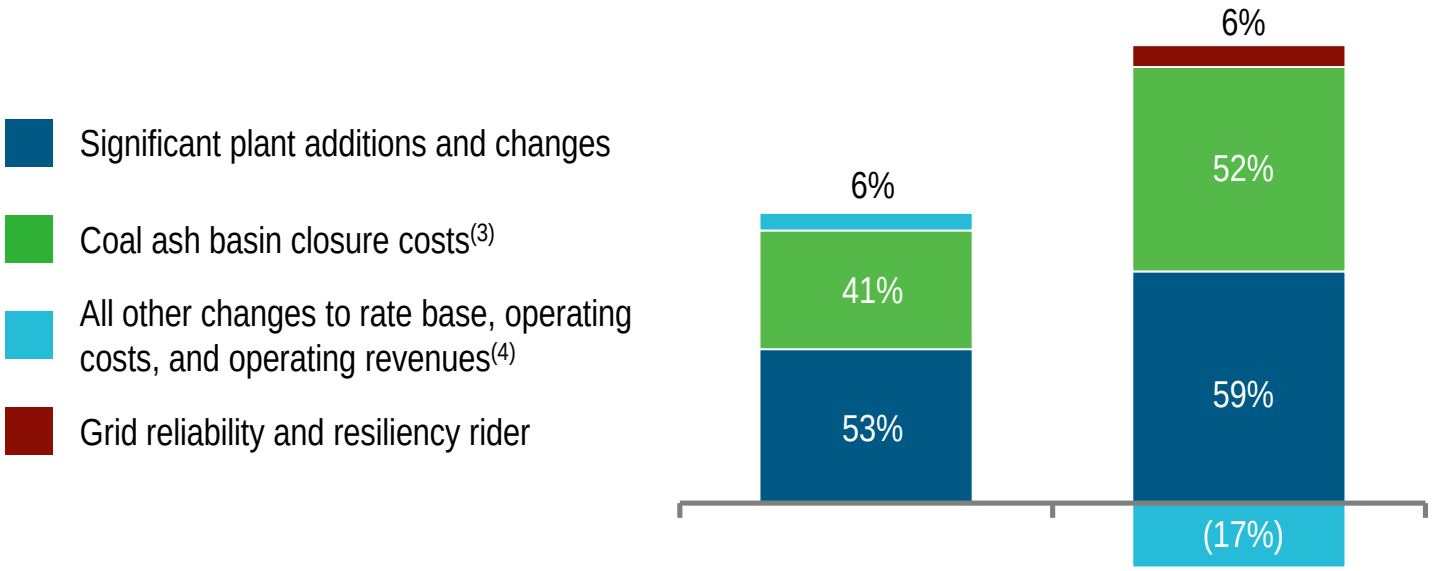
~2.75%
ANNUAL RETAIL RATE IMPACT
SINCE THE LAST RATE CASES IN 2013

	Duke Energy Progress	Duke Energy Carolinas
Retail revenue increase requested	$477 M (+14.9%)	$647 M (+13.6%)
Return on equity requested	10.75%	
Equity component of capital structure	53%	
Proposed rate base(1)	~$8.1 B	~$13.8 B
Rates expected to be in effect, if approved	Feb. 1, 2018	Apr. 1, 2018(2)



(1) *As of Dec. 31, 2016 and adjusted for known and measurable changes through Aug. 2017 (DEP) and Nov. 2017 (DEC)*
(2) *DEC has requested rates effective on Apr, 1, 2018, but no later than May 1, 2018. A procedural schedule has not yet been established.*
(3) *Coal ash basin closure costs include recovery of previously incurred expenses over a five year period and request for ongoing expenses (based on actual 2016 expenses)*
(4) *Driven largely by a return of deferred tax liability due to NC state tax rate change. DEP offset by2016 Hurricane Matthew storm cost recovery.*

Regulatory modernization remains a top priority

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GENERATE
CLEANER ENERGY

~$850 MILLION
CUSTOMER COST SAVINGS
OVER THE NEXT 10 YEARS

H.B. 589 – COMPETITIVE ENERGY SOLUTIONS FOR NC

- Pursued in parallel to Avoided Cost docket at N.C. Utilities Commission
- Reforms the Public Utility Regulatory Policy Act (PURPA) process in North Carolina, setting a clear path for more reliable and affordable renewable energy
  - **Fuel clause recovery** of standard contracts for Qualified Facilities, capped at 2.5% of annual sales
- Approximately 2,600 MW of utility-scale renewable energy projects to be procured via competitive bidding process over 45 months
  - **Rider recovery**, subject to cap of 1% of annual sales
  - Duke Energy can participate up to 30% cap; however additional facilities acquired from third parties are not subject to cap



On July 28, 2017, the NCUC issued its Order Initiating Rulemaking opening docket E-100 Sub 150 and providing an opportunity for companies and other interested parties to file initial comments, suggestions, or proposed rules or rule revisions relating to the implementation of H.B. 589. A procedural schedule has not yet been established.

Favorable settlement reached in Duke Energy Florida

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RATE CERTAINTY THROUGH 2021

WITH AGREED UPON RATE INCREASES AND SOLAR GENERATION BASE RATE ADJUSTMENT

MAJOR PROVISIONS OF THE SETTLEMENT

Base Rate Adjustments

- Base rate increases of $67M per year 2019-2021, primarily to recover investments in grid modernization
- Solar Generation Base Rate Adjustment: DEF has opportunity to recover 700 MW of solar 2019-2021, with base rate adjustment at in-service at 10.5% ROE
- Earned ROE band of 9.5% - 11.5%

Levy Nuclear Project

- DEF to cancel Levy Nuclear Project and not seek recovery of remaining costs
  - $135M impairment to be recorded in 3Q 2017(1)



APPROVAL PROCESS

- Signatories to the agreement include all key intervenors
- Settlement subject to review and approval by Florida Public Service Commission, expected by the end of 2017

(1) Will be treated as a "special item" and excluded from adjusted diluted earnings per share

The leading energy infrastructure company

Large-scale U.S. electric and gas utility creating a cleaner energy future

Constructive regulatory jurisdictions in desirable communities

INVESTING IN INFRASTRUCTURE OUR CUSTOMERS VALUE.
DELIVERING SUSTAINABLE GROWTH.

Proven track record of delivering our commitments

Solid long-term investment, with attractive risk-adjusted total shareholder return

Safe Harbor statement

Safe Harbor statement

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: state, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; the extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; the ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; the costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; costs and effects of legal and administrative proceedings, settlements, investigations and claims; industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies; federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy's service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; advancements in technology; additional competition in electric and gas markets and continued industry consolidation; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; the ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; the ability to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; operational interruptions to our gas distribution and transmission activities; the availability of adequate interstate pipeline transportation capacity and natural gas supply; the impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, and other catastrophic events such as fires, explosions, pandemic health events or other similar occurrences; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third party service providers; the timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; the results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations and general economic conditions; the credit ratings may be different from what the company and its subsidiaries expect; declines in the market prices of equity and fixed income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans, and nuclear decommissioning trust funds; construction and development risks associated with the completion of Duke Energy and its subsidiaries' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner or at all; changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; the ability to control operation and maintenance costs; the level of creditworthiness of counterparties to transactions; employee workforce factors, including the potential inability to attract and retain key personnel; the ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; substantial revision to the U.S. tax code, such as changes to the corporate tax rate or a material change in the deductibility of interest; the impact of potential goodwill impairments; the ability to successfully complete future merger, acquisition or divestiture plans; the ability to successfully integrate the natural gas businesses following the acquisition of Piedmont Natural Gas Company, Inc. and realize anticipated benefits; and the ability to implement our business strategy.

Additional risks and uncertainties are identified and discussed in Duke Energy's and its subsidiaries' reports filed with the SEC and available at the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made; Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Duke Energy Corporation
Non-GAAP Reconciliations
Barclays CEO Energy-Power Conference

Adjusted Diluted EPS Guidance

The materials for Duke Energy's Barclays CEO Energy-Power Conference include a reference to the forecasted 2017 adjusted diluted EPS guidance range of $4.50 - $4.70 per share. The materials also reference the long-term range of annual growth of 4% - 6% through 2021 in adjusted diluted EPS (on a compound annual growth rate (CAGR) basis).

Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items. Special items include certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management believes the presentation of adjusted diluted 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 diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS attributable 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 for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.