DUKE ENERGY

DUKE ENERGY
FALL UPDATE 2017







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 in the Appendix herein 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

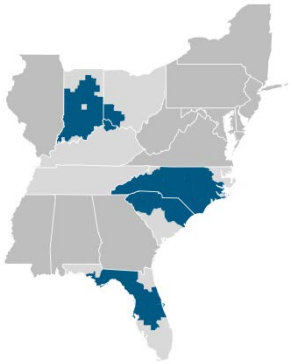
$61 B
MARKET CAP
(AS OF 8/31/2017)

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

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

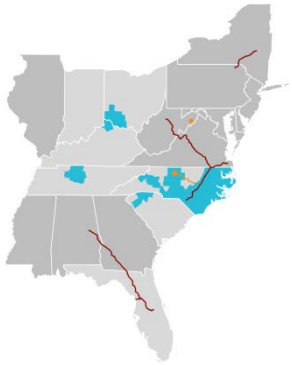
49 GWs
TOTAL GENERATING CAPACITY
(AS OF 12/31/2016)

ELECTRIC UTILITIES & INFRASTRUCTURE



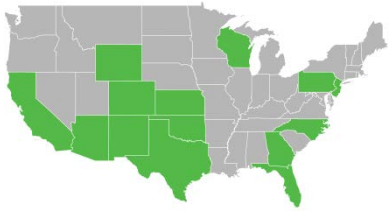
- Operating in six constructive jurisdictions, with attractive allowed ROEs, serving 7.5 million retail customers
- Below average customer rates(1)
- Balanced generation portfolio
- Industry-leading safety performance, as recognized by EEI

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*

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.

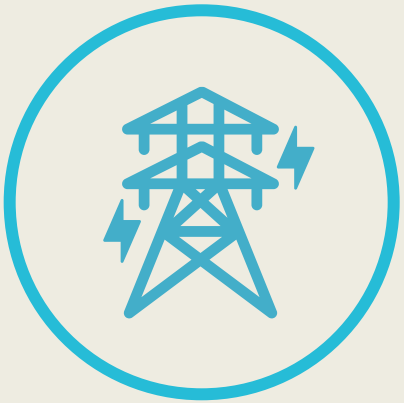
- Proven track record of delivering our commitments
- Solid long-term investment, with attractive risk-adjusted total shareholder return

The next decade

ACHIEVE

TOP QUARTILE

CUSTOMER SATISFACTION



MODERNIZE THE ENERGY GRID

$25 B

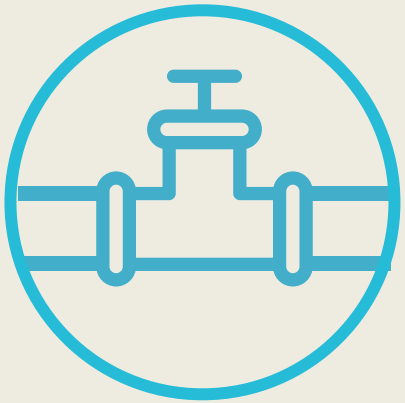
INVESTMENTS IN GRID MODERNIZATION OVER 10 YEARS



GENERATE CLEANER ENERGY

$11 B

INVESTMENTS IN CLEANER GENERATION OVER 10 YEARS(1)



EXPAND NATURAL GAS INFRASTRUCTURE

15%

PROPORTION OF OUR BUSINESS MIX FROM GAS IN 10 YEARS **FROM 8% TODAY(2)**

ALL JURISDICTIONS

REVENUES RECOVERED VIA MODERN REGULATORY MECHANISMS WITHIN 10 YEARS

(1) *Includes natural gas and renewables generation. Excludes nuclear relicensing and new nuclear projects*

(2) *Based on adjusted diluted EPS*

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

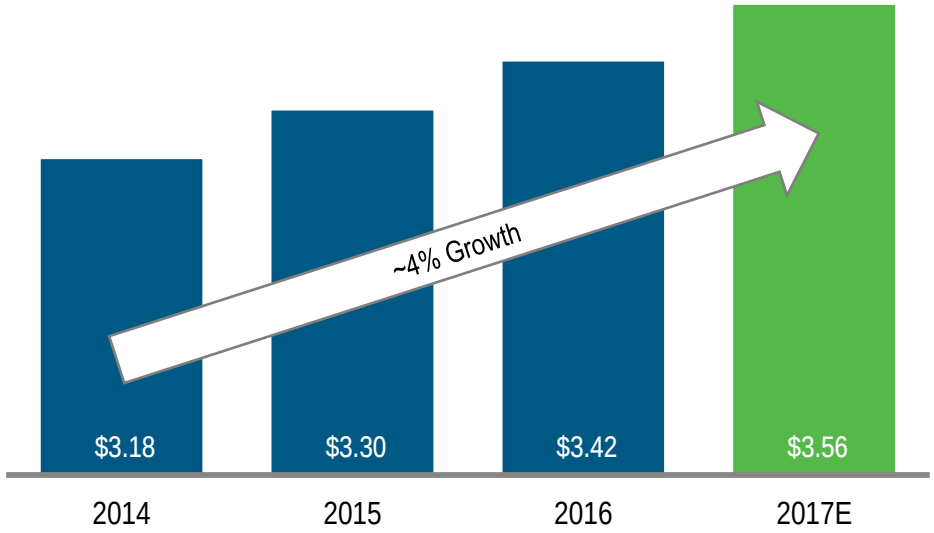
91 years of consecutive quarterly cash dividends paid

70 - 75%
EXPECTED PAYOUT RATIO THROUGH 2021(1)

4 - 6%
ANNUAL DIVIDEND GROWTH

~75%
OF TSR ACHIEVED THROUGH DIVIDEND REINVESTMENT OVER LAST 20 YEARS

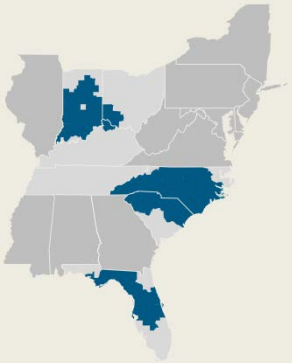
DUK ANNUALIZED DIVIDEND PER SHARE(2)



(1) Based on adjusted diluted EPS; as originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017
(2) Reflects annualized Q3 dividend per share for each year

Complementary businesses with strong growth opportunities

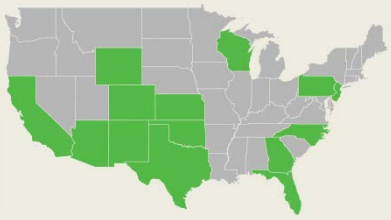
ELECTRIC UTILITIES & INFRASTRUCTURE



GAS UTILITIES & INFRASTRUCTURE

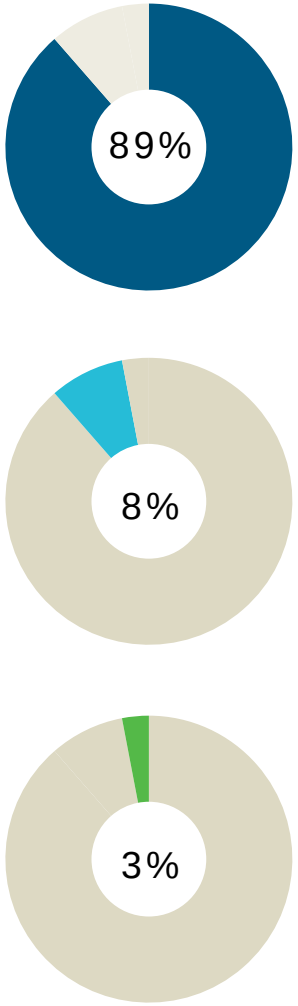


COMMERCIAL RENEWABLES



Map credit: SNL

2017 ADJUSTED EPS CONTRIBUTION(1)



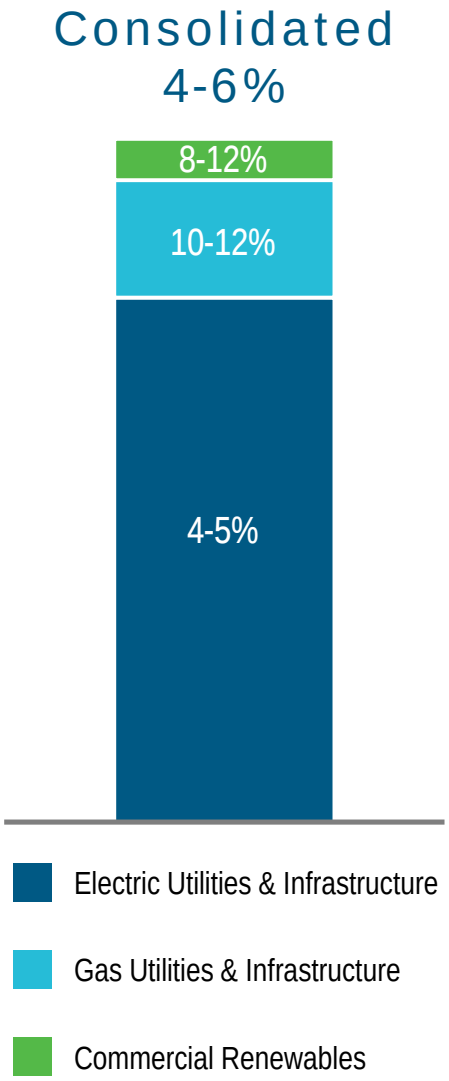
2017-2021 GROWTH CAPITAL

$30 B

$6 B

$1 B

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*

Consolidated financial plan underpinned by significant growth capital

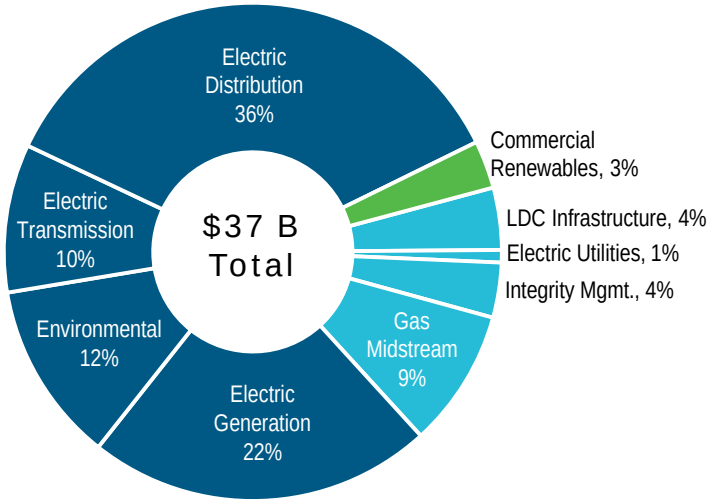
4 - 6%

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

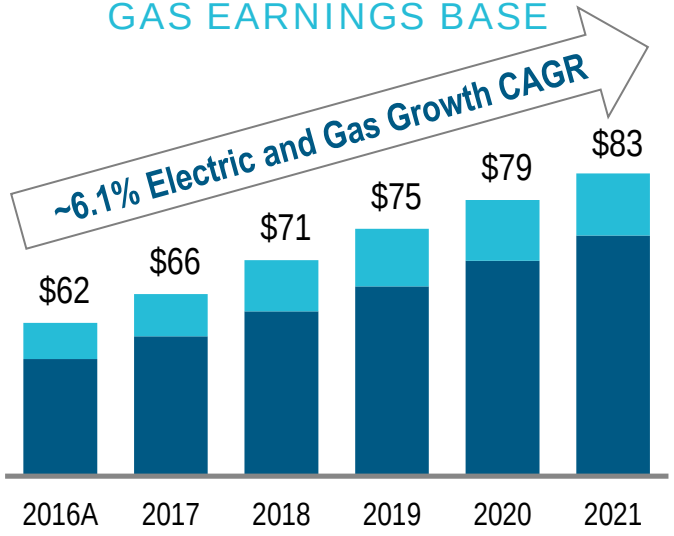
$37 B

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

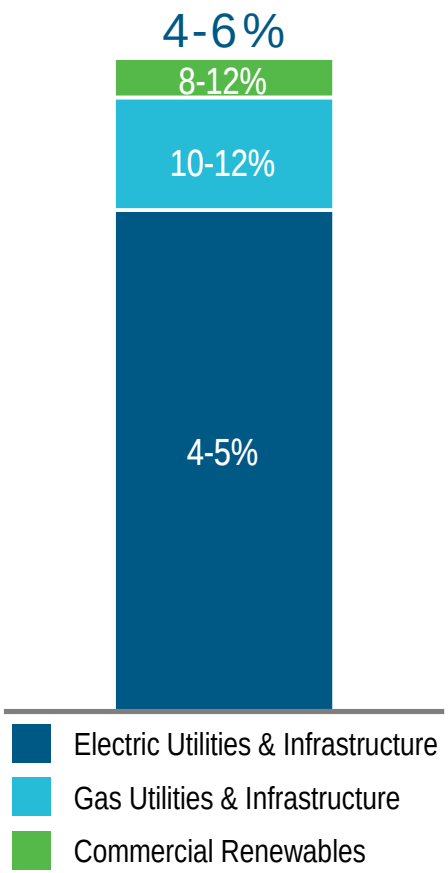
2017 - 2021 BALANCED GROWTH CAPITAL PLAN[2]



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*

Robust growth capital plan driving electric earnings base growth

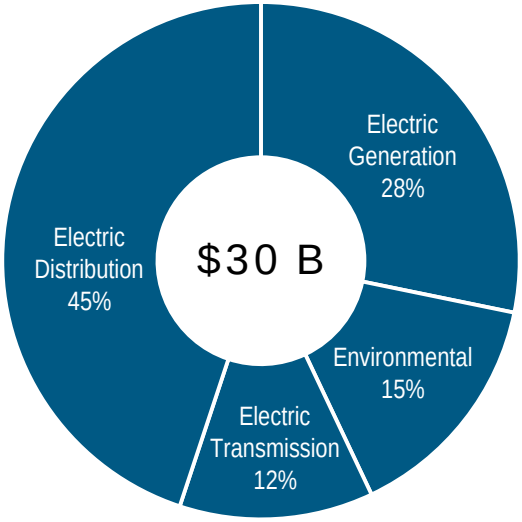
GENERATE
CLEANER ENERGY

MODERNIZE THE
ENERGY GRID

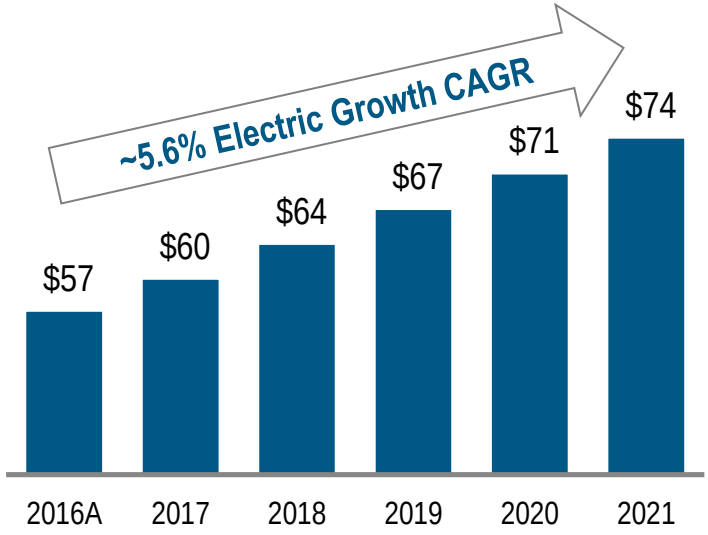
$30 B

GROWTH CAPITAL PLAN FOR ELECTRIC UTILITIES AND INFRASTRUCTURE OVER 5 YEARS[1]

2017 - 2021 ELECTRIC UTILITIES & INFRASTRUCTURE GROWTH CAPITAL PLAN[1]



2017 - 2021 REGULATED ELECTRIC EARNINGS BASE[2]



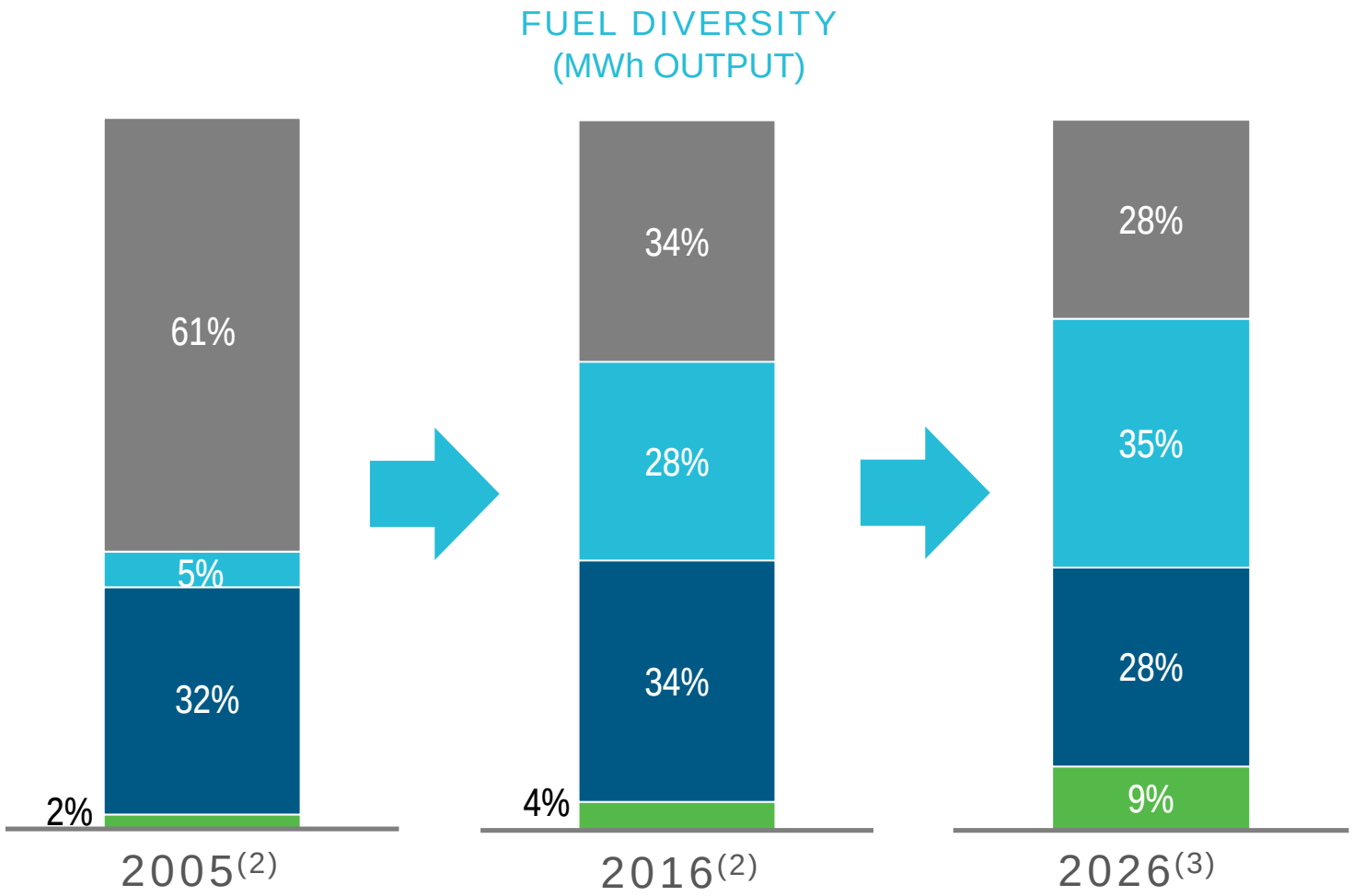
(1) *As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017*
(2) *Illustrative earnings base for presentation purposes only and includes retail and wholesale; amounts as of the end of each year shown; projected earnings base = prior period earnings base + capex - D&A - deferred taxes*

Our generation investments result in significantly reduced emissions

GENERATE
CLEANER ENERGY

$11 B
INVESTMENTS IN CLEANER GENERATION OVER 10 YEARS(1)

35%
CO_2 REDUCTION BY 2026(4) FROM 2005 LEVELS



(1) *Excludes any spend related to nuclear relicensing and new nuclear projects*
(2) *2005 and 2016 data based on Duke's ownership share of U.S. generation assets as of Dec. 31, 2016*
(3) *2026 estimate does not reflect the EPA Clean Power Plan*
(4) *2026 carbon reduction will be influenced by customer demand, generation mix, weather, fuel availability and prices*

Investing in cleaner energy for a low-carbon future

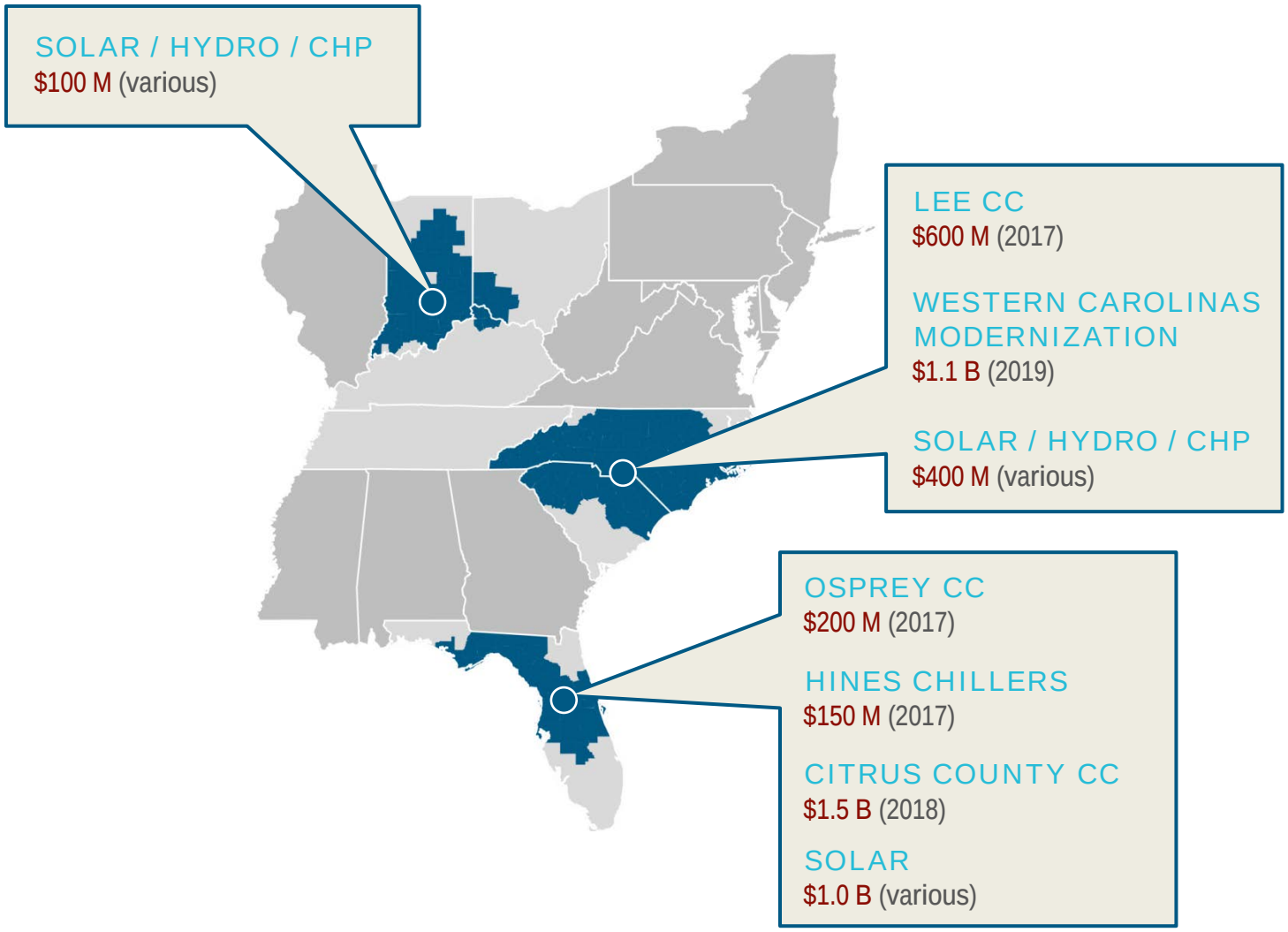
GENERATE
CLEANER ENERGY

$3.3 B

TO BE INVESTED IN REGULATED NATURAL GAS-FIRED GENERATION OVER 5 YEARS(1)

$1.3 B

INVESTMENTS IN REGULATED CARBON-FREE GENERATION OVER 5 YEARS(1)



Map credit: SNL

(1) *As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017. Investment amount includes projects that will reach commercial operations within the 5-year period, as well as capital investments in new generation projects achieving commercial operation after the 5-year period. Project amounts above represent total project costs, including amounts spent prior to 2017.*

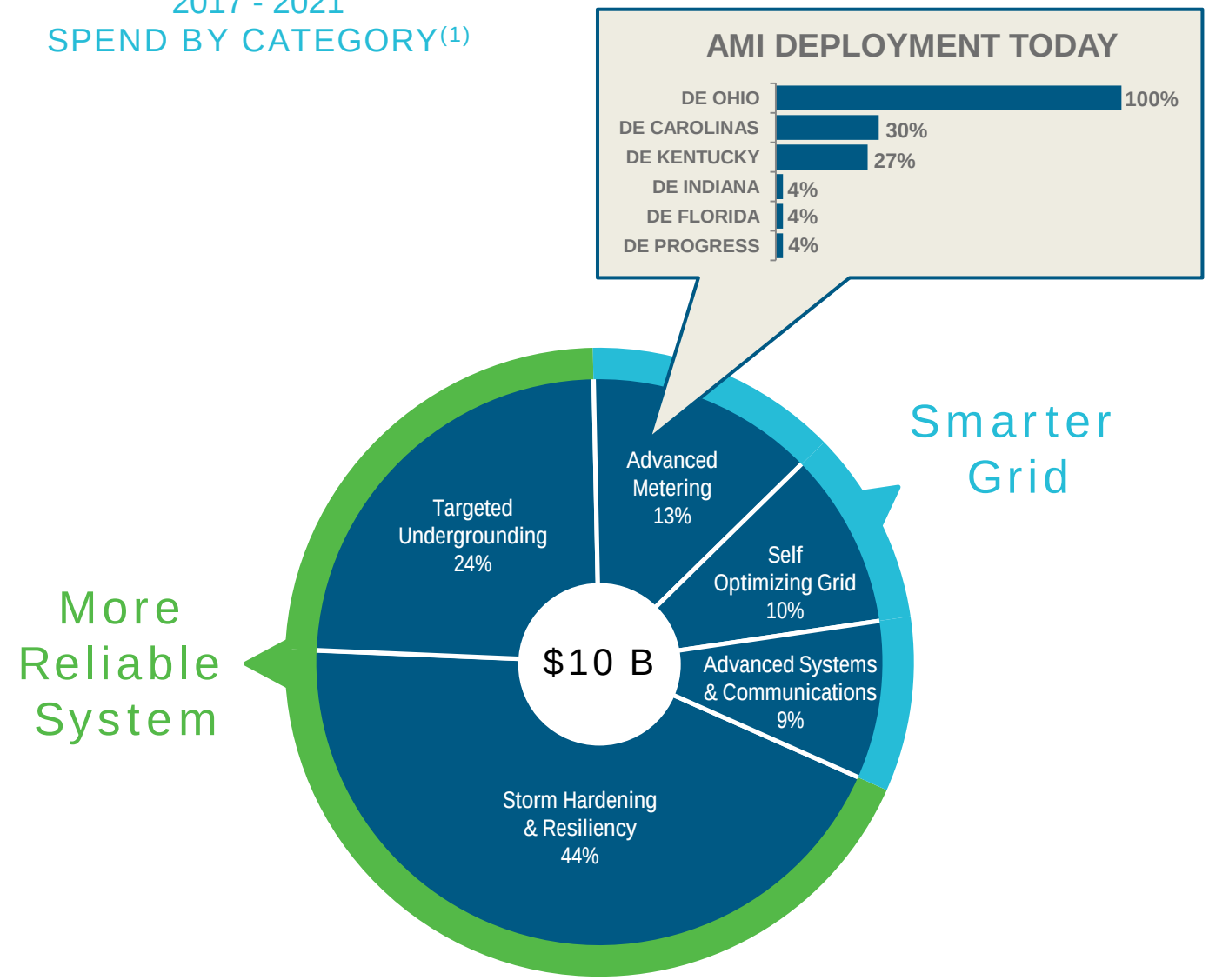
Continuing to invest in the grid, with an emerging focus on the Carolinas

MODERNIZE THE
ENERGY GRID

$10 B
OF GRID INVESTMENTS
OVER NEXT 5 YEARS(1)

60%
OF TOTAL TO BE INVESTED
IN THE CAROLINAS

2017 - 2021
SPEND BY CATEGORY(1)



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

Managing regulatory lag to earn our allowed ROEs

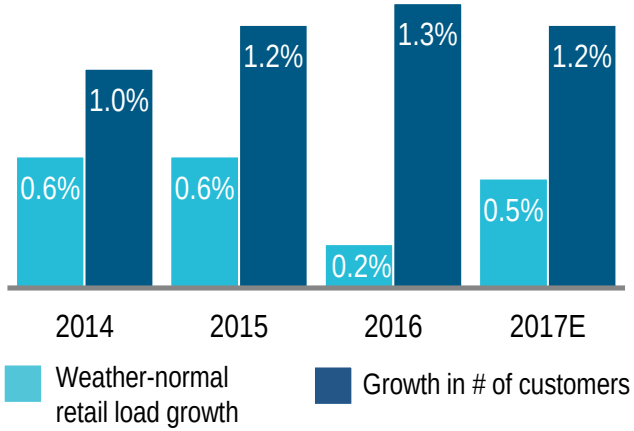
EARNING ALLOWED ROEs

WITH NO SIGNIFICANT RATE CASES SINCE 2013

REGULATORY LAG MITIGATED

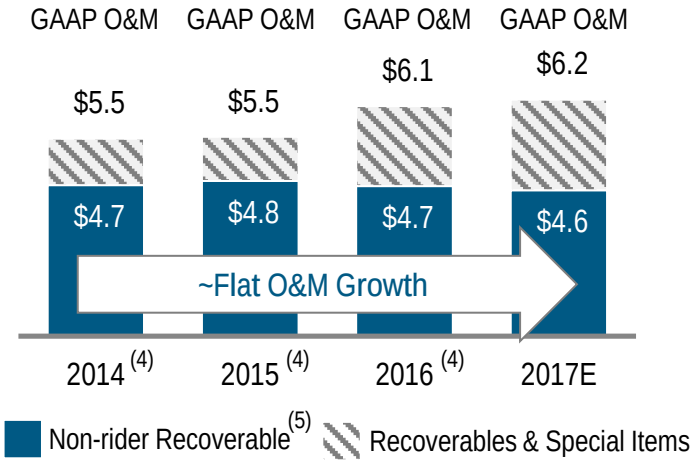
BY CUSTOMER GROWTH, FOCUSED COST MANAGEMENT EFFORTS AND WHOLESALE EXPANSION

CUSTOMER GROWTH AND VOLUME TRENDS(1)

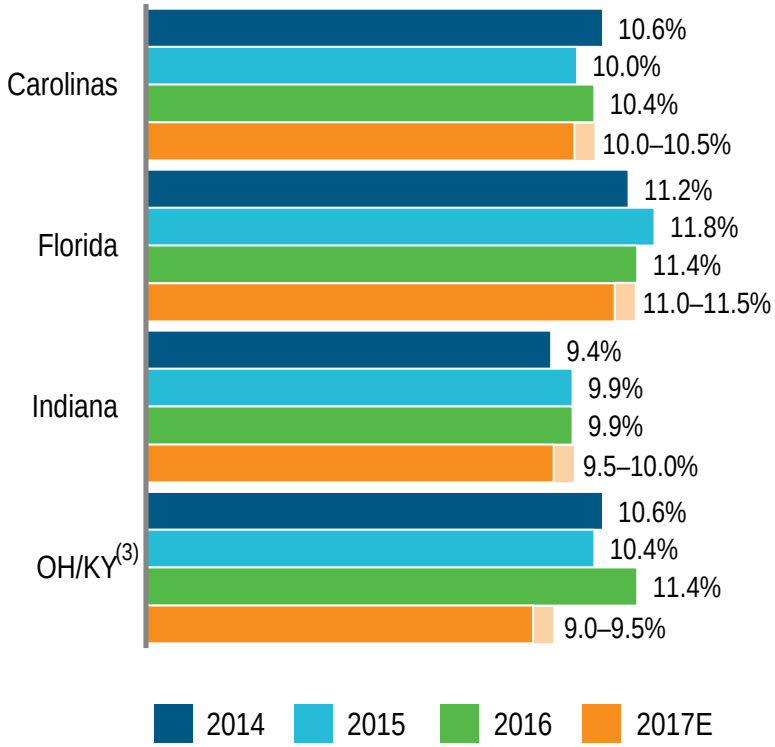


O&M COST MANAGEMENT(1)

($ IN BILLIONS)



ADJUSTED BOOK ROEs(1,2)



(1) *2017 assumptions as originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017*

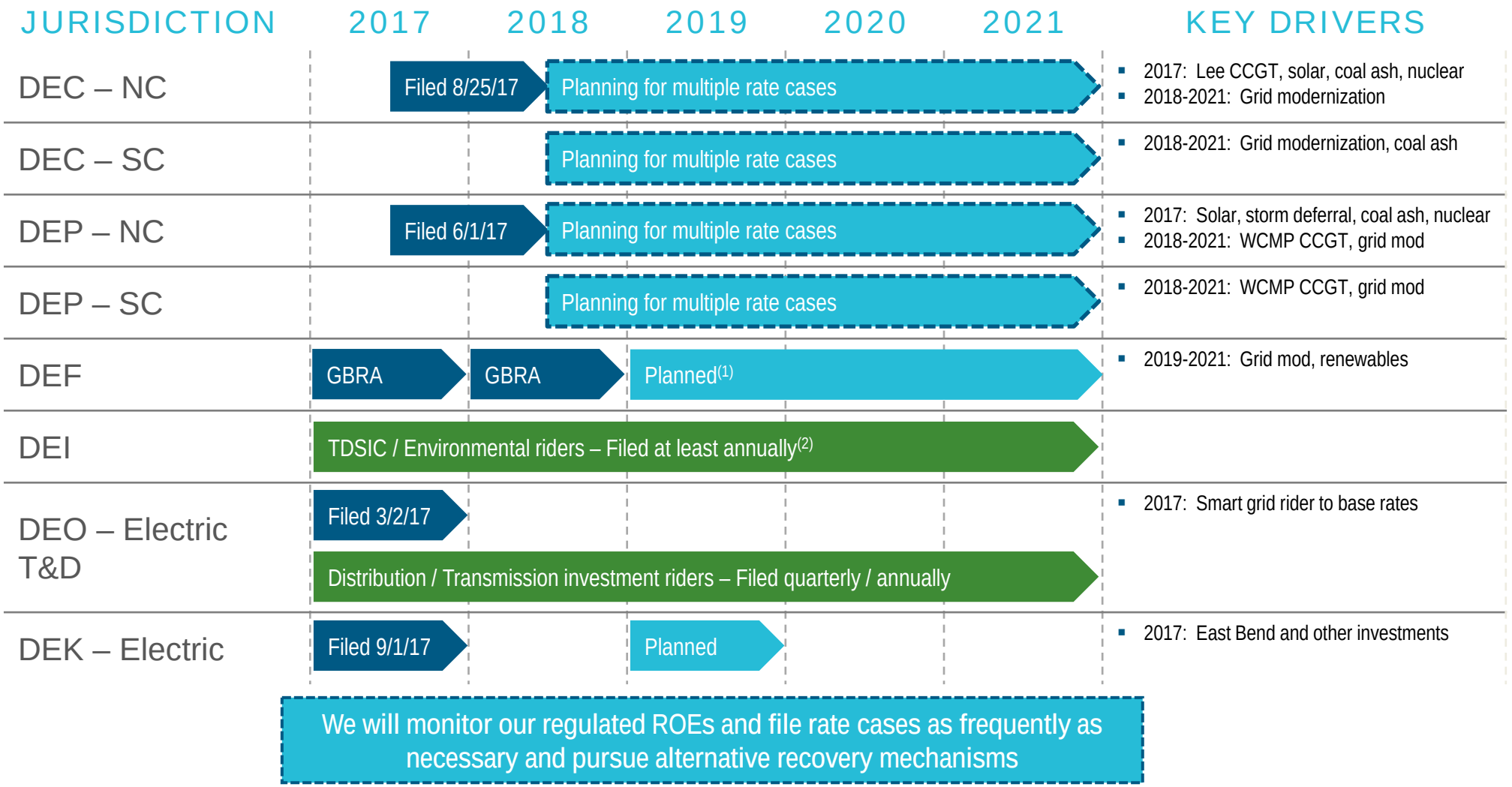
(2) *Adjusted book ROEs exclude special items and are based on average book equity less Goodwill. Adjusted ROEs also include wholesale and are not adjusted for the impacts of weather. Regulatory ROEs will differ from Adjusted Book ROEs*

(3) *Combined electric and gas utilities*

(4) *Excludes Midwest Generation Business O&M (sold in April 2015), Latin American Generation Business (sold in December 2016)*

(5) *Excludes Piedmont Natural Gas, added beginning October 2016, to show trend*

Recovery of electric investments through frequent rate activity



(1) *A 2017 Second Revised and Restated Settlement Agreement was announced Aug. 29, 2017 that would freeze rates through 2021, other than agreed upon base rate changes; the agreement is subject to review and approval by the Florida Public Service Commission, which is expected by the end of 2017*

(2) *We are evaluating a range of scenarios prior to a required rate case by the end of 2022 (TDSIC conclusion) which could include cost management, capital optimization, or a general rate case filing*

Robust growth capital plan driving gas earnings base growth

EXPAND NATURAL GAS INFRASTRUCTURE

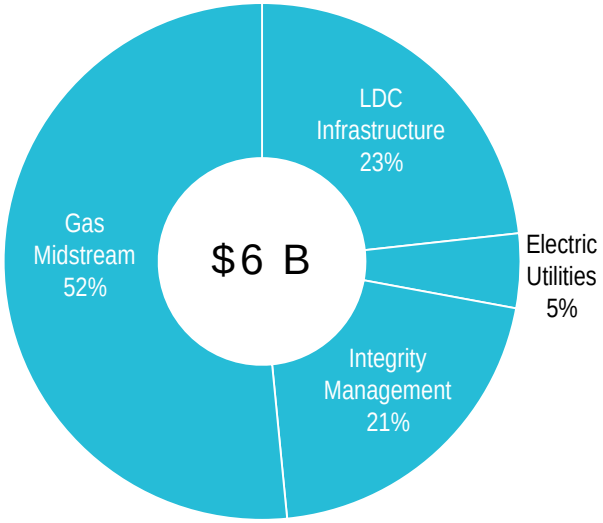
$6 B

GROWTH CAPITAL PLAN FOR GAS UTILITIES AND INFRASTRUCTURE OVER 5 YEARS(1)

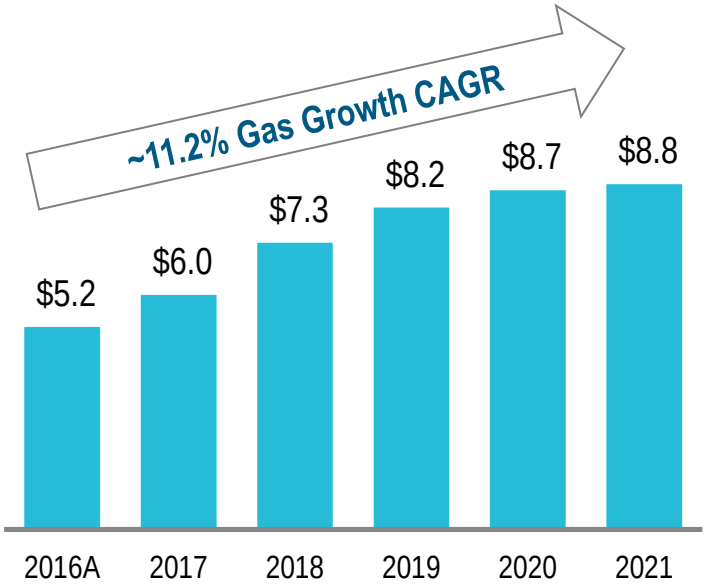
50/50

GROWTH CAPITAL PLAN DIVIDED BETWEEN THE LDC AND MIDSTREAM PIPELINES

2017 - 2021 GROWTH CAPITAL PLAN(1)



2017 - 2021 REGULATED GAS EARNINGS BASE(2)



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

(2) *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*

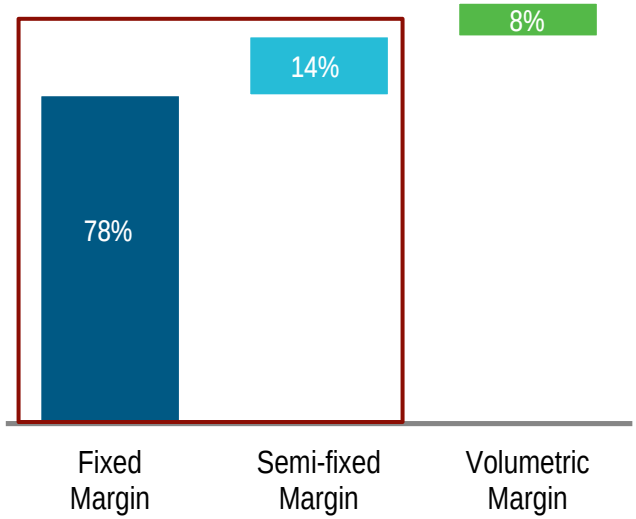
Stable-margin LDCs with strong customer growth

EXPAND NATURAL GAS INFRASTRUCTURE

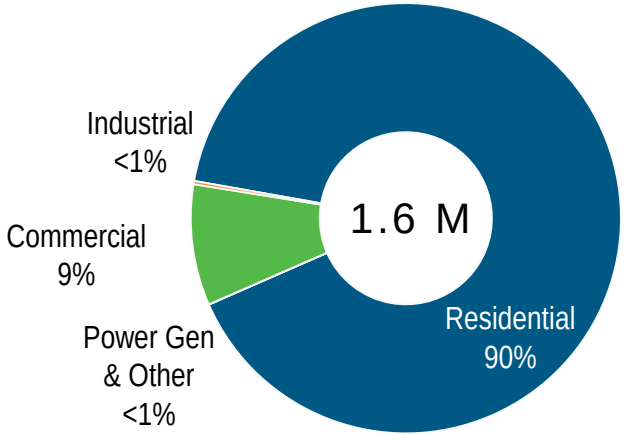
90%
RESIDENTIAL CUSTOMERS

92%
MOSTLY FIXED MARGINS(2)

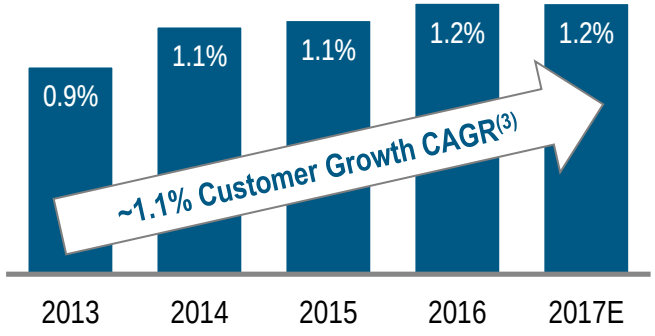
LOW VOLUMETRIC EXPOSURE DUE TO MOSTLY FIXED MARGINS...



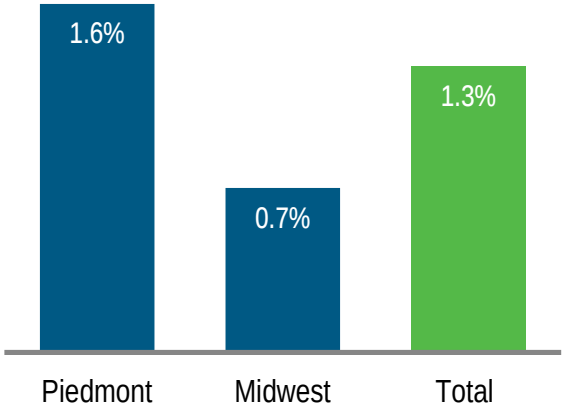
CUSTOMER MIX AS OF JUNE 30, 2017



...WITH EARNINGS DRIVEN BY INVESTMENT AND STRONG CUSTOMER GROWTH(1)



ANNUAL GROWTH IN NUMBER OF RESIDENTIAL CUSTOMERS AS OF JUNE 30, 2017



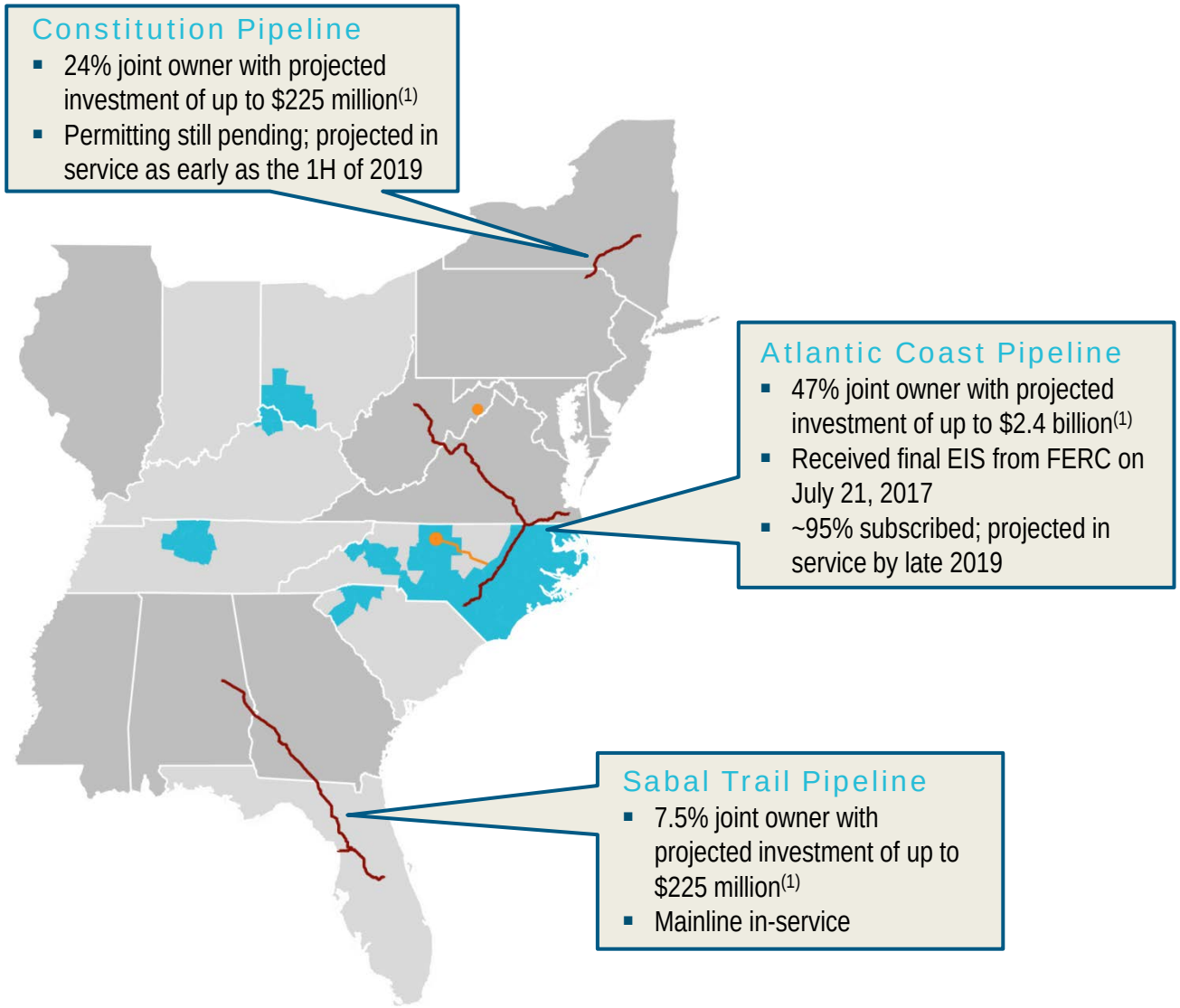
(1) *2017 assumptions as originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017*
(2) *As of Oct. 31, 2016*
(3) *Piedmont CAGR: 1.5%, Midwest LDC CAGR: 0.5%*

Enabling clean energy through midstream pipeline investments

EXPAND NATURAL GAS INFRASTRUCTURE

$3.3 B

INVESTMENTS IN **MIDSTREAM PIPELINES** OVER 5 YEARS[2]



Map credit: SNL

(1) Investment level will depend upon how the project and Duke investment are financed

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

Scale and expertise from a decade of commercial renewables growth

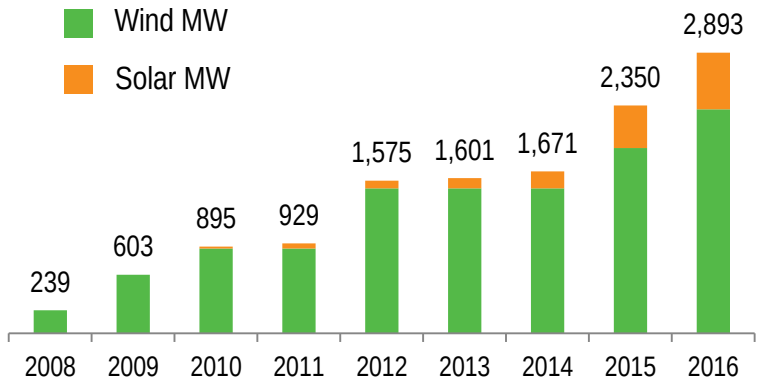
GENERATE
CLEANER ENERGY

$1 B
COMMERCIAL RENEWABLES INVESTMENTS OVER 5 YEARS[3]

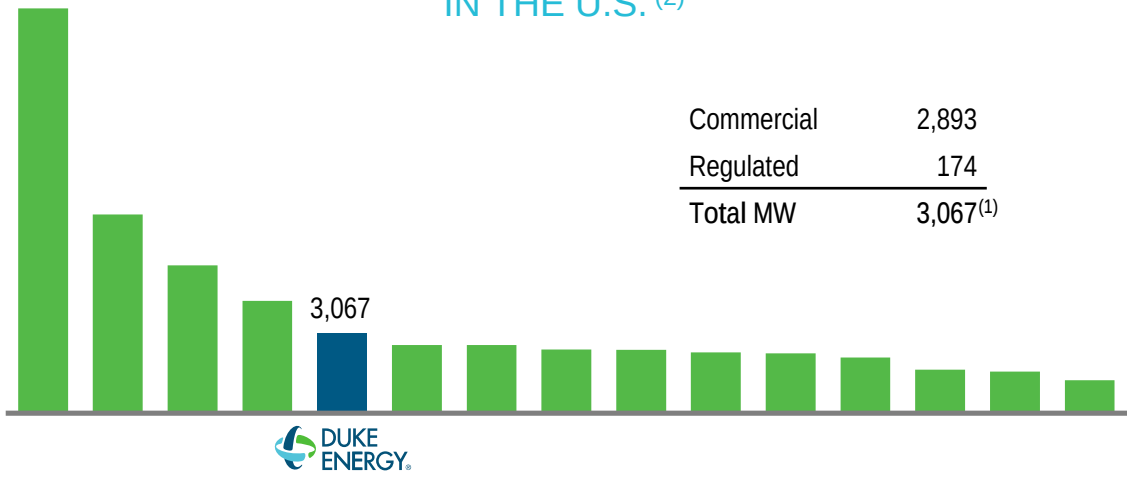
1,000 MW
OF WIND PROJECTS PTC QUALIFIED FOR FUTURE INVESTMENT

BUILDING SCALE SINCE ENTERING COMMERCIAL RENEWABLES SPACE IN 2007…

- Invested more than $5 billion over the past 10 years
- Long-term power purchase agreements with creditworthy counterparties
- Emerging focus in our regulated electric utilities



…TO BECOME A TOP FIVE RENEWABLES COMPANY IN THE U.S. [2]



Commercial	2,893
Regulated	174
Total MW	3,067[1]

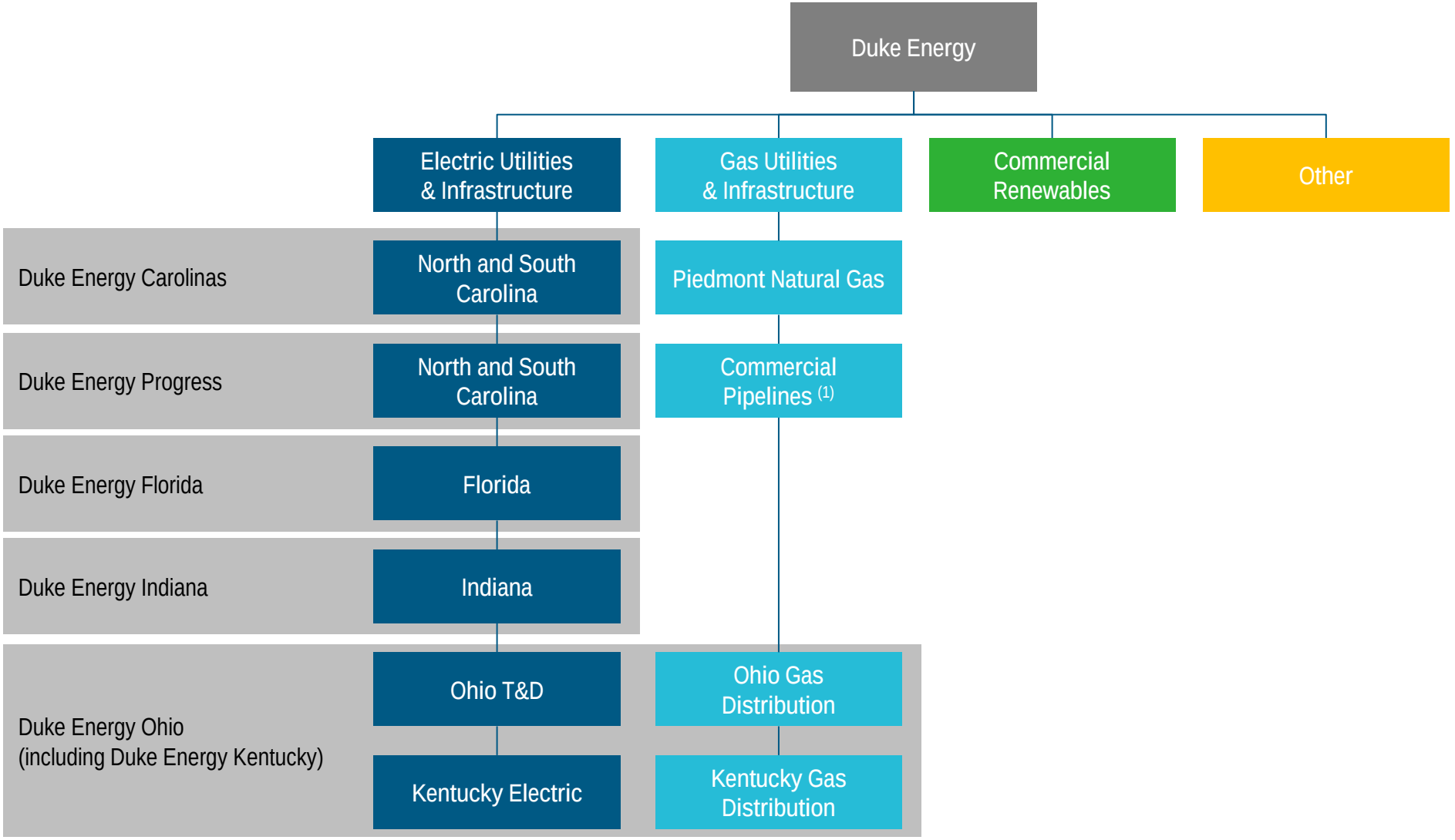
(1) In service as of Dec. 31, 2016
(2) Source: SNL Energy; top 15 owners by MW capacity
(3) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017

Appendix materials

Item	Slide(s)
2017 guidance support	21-35
Financing assumptions	36-43
Regulatory overview	44-50
Electric Utilities & Infrastructure supplement	51-54
Gas Utilities & Infrastructure supplement	55-57
Commercial Renewables supplement	58-60

2017 guidance support

Duke Energy business segment structure



(1) On Apr. 1, 2017, Piedmont transferred its ownership interests in ACP and Constitution to a wholly owned subsidiary of Duke Energy

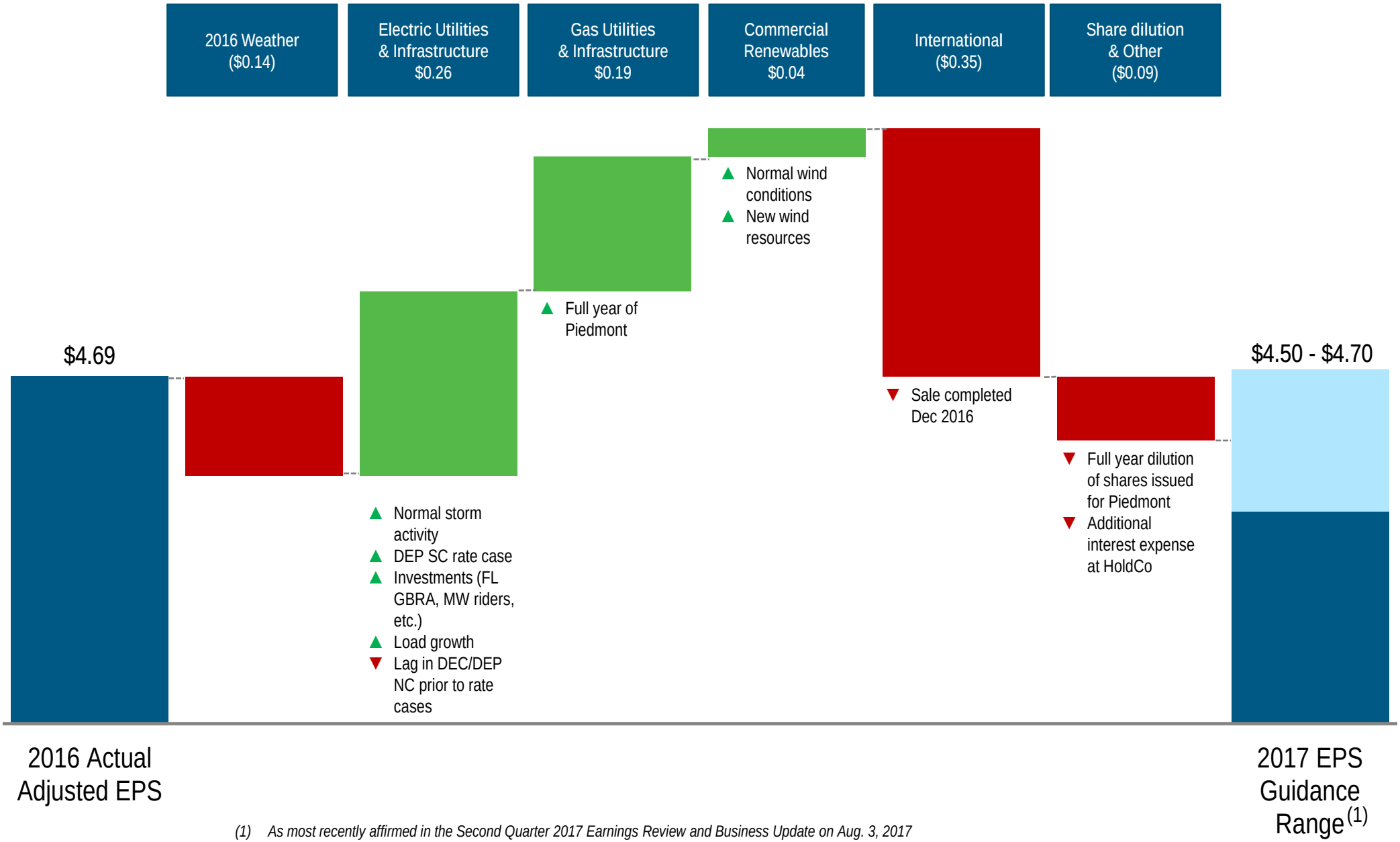
Key 2017 earnings sensitivities[1]

Driver		EPS Impact
Electric Utilities & Infrastructure	1% change in earned return on equity	+/- $0.40
	$1 billion change in rate base	+/- $0.08
	1% change in Electric Utilities volumes	+/- $0.10
Gas Utilities & Infrastructure	1% change in earned return on equity	+/- $0.04
	$200 million change in rate base	+/- $0.01
	1% change in number of new customers	+/- $0.01
Consolidated	1% change in interest rates[2]	+/- $0.08
Other	$10/barrel change in Brent crude oil prices	+/- $0.01 - 0.02

Note: EPS amounts based on forecasted 2017 share count of ~700 million shares

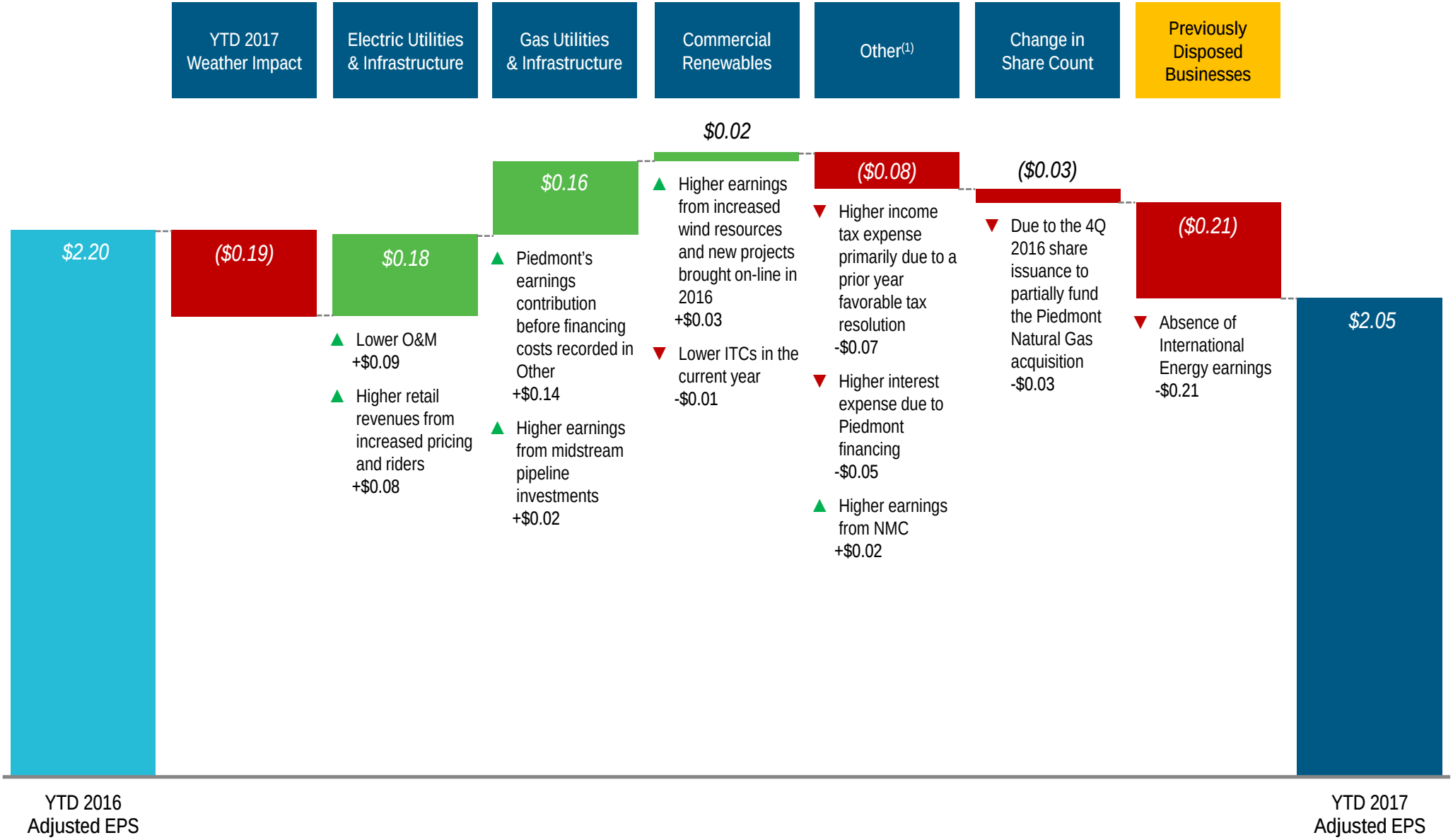
(1) *2017 assumptions as originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017*
(2) *Based on average variable-rate debt outstanding throughout the year.*

2016 – 2017 adjusted diluted EPS waterfall



(1) As most recently affirmed in the Second Quarter 2017 Earnings Review and Business Update on Aug. 3, 2017

YTD 2016 – YTD 2017 adjusted diluted EPS waterfall



(1) *Due to the Piedmont acquisition and the sale of International Energy in the fourth quarter of 2016, Duke Energy's segment structure has been realigned. The Other segment now includes the results of National Methanol Company (NMC), which were previously included in the International Energy segment*

Key 2017 adjusted earnings guidance assumptions

($ in millions)	Original 2017 assumptions [1]	2017 YTD (thru 6/30/2017)
Adjusted segment income/(expense) [2]:		
Electric Utilities & Infrastructure	$3,109	$1,364
Gas Utilities & Infrastructure	$282	$160
Commercial Renewables	$99	$51
Other	($268)	($142)
Duke Energy Consolidated	$3,222	$1,433
Additional consolidated information:		
Interest expense	$1,974	$977
Adjusted effective tax rate	32-33%	32.4%
Debt AFUDC and capitalized interest	$124	$68
AFUDC equity	$278	$125
Capital expenditures [3][4]	$9,425	$4,463
Weighted-average shares outstanding	~700 million	~700 million

(1) As disclosed on Feb. 16, 2017

(2) Adjusted net income for 2017 assumption is based upon midpoint of adjusted diluted EPS guidance range of $4.50 to $4.70, most recently affirmed in the Second Quarter 2017 Earnings Review and Business Update on Aug. 3, 2017

(3) Includes debt AFUDC and capitalized interest. Original 2017 assumption includes ~$650 million of 2017 projected coal ash closure spend

(4) Includes coal ash closure spend of $245 million in 2017 YTD that was included in operating cash flows

Electric utilities quarterly weather impacts

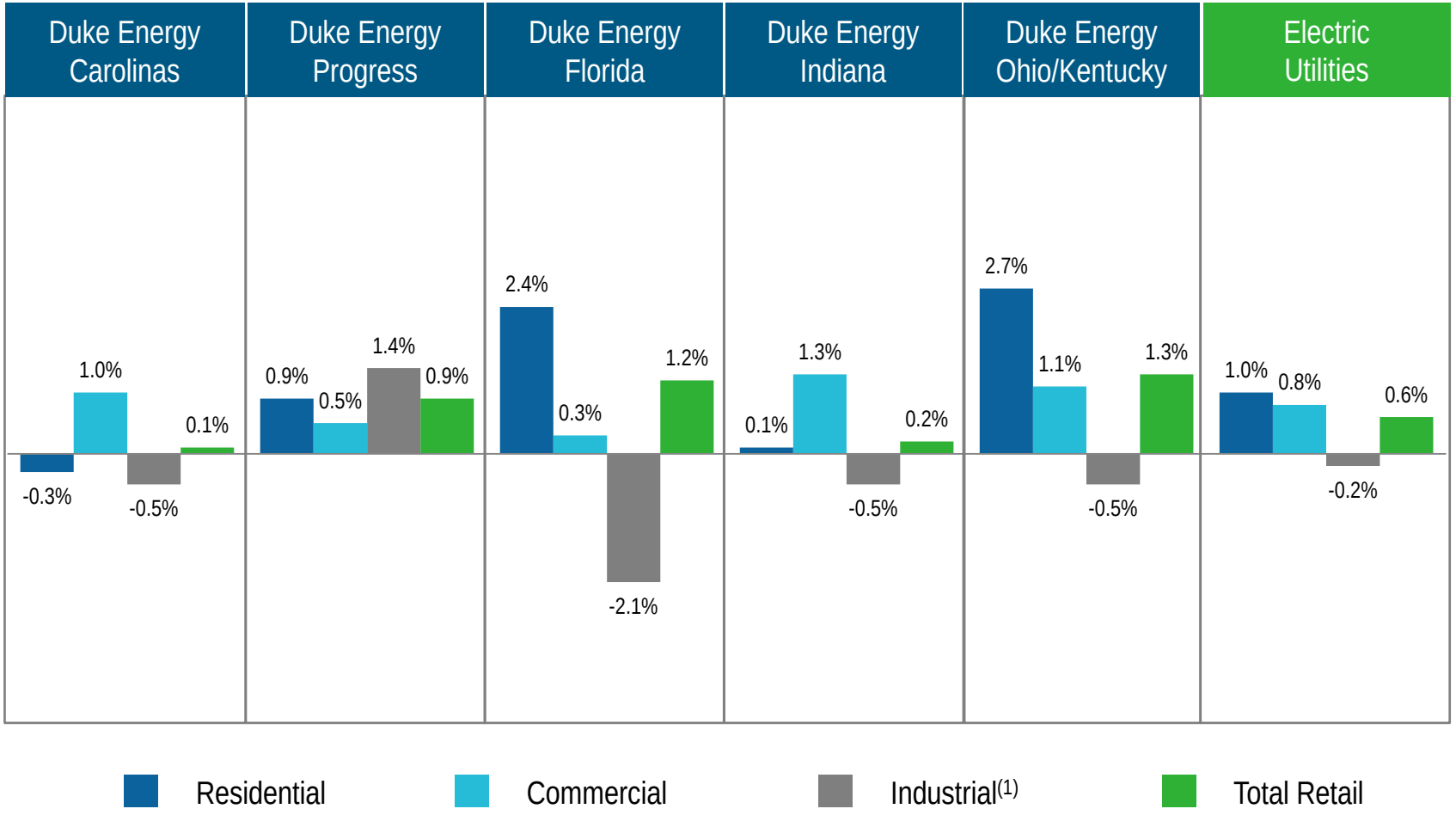
Weather segment income to normal:	2017			2016		
	Pretax impact	Weighted avg. diluted shares	EPS impact – favorable / (unfavorable)	Pretax impact	Weighted avg. shares	EPS impact – favorable / (unfavorable)
First Quarter	($175)	700	($0.15)	($10)	689	($0.01)
Second Quarter	($5)	700	($0.01)	$40	690	$0.04
Third Quarter				$190	691	$0.17
Fourth Quarter				($70)	699	($0.06)
Year-to-Date[1]	($180)	700	($0.16)	$150	691	$0.14

2Q 2016	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY	
Heating degree days / Variance from normal	200	(9.5%)	179	(5.3%)	--	(100.0%)	522	6.1%	475	5.8%
Cooling degree days / Variance from normal	570	17.3%	576	8.7%	1,112	8.0%	376	14.6%	372	14.5%

2Q 2017	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY	
Heating degree days / Variance from normal	131	(40.5%)	83	(55.7%)	1	(94.1%)	372	(24.6%)	313	(30.4%)
Cooling degree days / Variance from normal	524	6.3%	647	21.1%	1,079	4.5%	323	(2.2%)	332	1.2%

Weather normalized volume trends, by electric jurisdiction

Rolling Twelve Months, as of June 30, 2017



(1) *Industrial weakness primarily related to several large phosphate customers at Duke Energy Florida who have been impacted by mine closures in the face of weakness in the agriculture industry*

Regulated utilities end of year earnings base[1]

Electric Utilities Earnings Base

($ in billions)	2016A	2017E	2018E	2019E	2020E	2021E
Duke Energy Carolinas	$20.8	$21.8	$23.0	$24.2	$25.6	$27.1
Duke Energy Progress	14.5	15.3	16.7	17.9	19.0	19.9
Duke Energy Florida	11.4	12.4	12.9	13.6	14.3	15.4
Duke Indiana	7.5	7.6	7.8	8.0	8.1	8.1
Duke Ohio – Electric	2.0	2.2	2.4	2.6	2.8	3.0
Duke Kentucky – Electric	0.6	0.7	0.8	0.8	0.9	0.9
Electric Utilities Total[2]	**$56.7**	**$60.0**	**$63.5**	**$67.1**	**$70.7**	**$74.4**

Gas Utilities Earnings Base

($ in billions)	2016A	2017E	2018E	2019E	2020E	2021E
Piedmont	$3.2	$3.5	$3.7	$3.8	$4.0	$4.1
Duke Energy Ohio – Gas	1.2	1.2	1.3	1.3	1.3	1.3
Duke Energy Kentucky - Gas	0.3	0.3	0.3	0.3	0.3	0.3
Natural Gas Transmission	0.6	1.0	2.0	2.7	3.0	3.1
Gas Utilities Total[2]	**$5.2**	**$6.0**	**$7.3**	**$8.2**	**$8.7**	**$8.8**

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

(2) *Totals may not foot due to rounding*

Capital expenditures profile[1]

($ in millions)

Electric Utilities & Infrastructure	2016A	2017E	2018E	2019E	2020E	2021E	2017 - 2021
Electric Generation[2]	$ 1,766	$ 1,725	$ 1,550	$ 1,700	$ 1,600	$ 1,750	$ 8,325
Electric Transmission	641	725	725	700	750	675	3,575
Electric Distribution	1,106	1,750	2,825	2,950	2,875	2,850	13,250
Environmental[3]	904	1,300	1,150	700	550	650	4,350
Electric Utilities & Infrastructure Growth Capital	**$ 4,417**	**$ 5,500**	**$ 6,250**	**$ 6,050**	**$ 5,775**	**$ 5,925**	**$ 29,500**
Maintenance	2,775	2,125	1,800	1,950	1,975	1,875	9,725
Total Electric Utilities & Infrastructure Capital	$ 7,192	$ 7,625	$ 8,050	$ 8,000	$ 7,750	$ 7,800	$ 39,225
Commercial Renewables	$ 857	$ 175	$ 275	$ 375	$ 325	$ -	$ 1,150
Total Commercial Renewables Capital	$ 857	$ 175	$ 275	$ 375	$ 325	$ -	$ 1,150
Midstream Pipelines[4]	261	475	1,125	1,200	400	125	3,325
LDC - Non-Rider	129	325	550	425	300	200	1,800
LDC - Rider	75	325	300	225	300	175	1,325
Gas Utilities & Infrastructure Growth Capital	**$ 465**	**$ 1,125**	**$ 1,975**	**$ 1,850**	**$ 1,000**	**$ 500**	**$ 6,450**
Maintenance	75	175	200	175	150	175	875
Total Gas Utilities & Infrastructure Capital	$ 540	$ 1,300	$ 2,175	$ 2,025	$ 1,150	$ 675	$ 7,325
Other[5]	168	325	275	325	250	275	1,450
Total Duke Energy	$ 8,757	$ 9,425	$ 10,775	$ 10,725	$ 9,475	$ 8,750	$ 49,150

(1) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017; amounts include AFUDC debt or capitalized interest
(2) Amount includes nuclear fuel of $2B from 2017-2021
(3) 2016 actual amounts include ~$550 million in coal ash closure spending that was included in operating cash flows
(4) Investment level will depend upon how the project and Duke investment are financed
(5) Primarily IT and real estate related costs

Capital expenditures by utility[1]

($ in millions)

Duke Energy Carolinas	2016A	2017E	2018E	2019E	2020E	2021E	2017 - 2021
Electric Generation	$663	$500	$450	$675	$675	$825	$3,125
Electric Transmission	214	75	75	75	50	50	$325
Electric Distribution	392	700	1,250	1,225	1,150	1,225	$5,550
Environmental[2]	374	600	550	225	125	175	$1,675
Duke Energy Carolinas Growth Capital	$ 1,643	$ 1,875	$ 2,325	$ 2,200	$ 2,000	$ 2,275	$ 10,675
Maintenance	861	850	650	675	725	675	3,575
Total Duke Energy Carolinas Capital	$ 2,504	$ 2,725	$ 2,975	$ 2,875	$ 2,725	$ 2,950	$ 14,250

Duke Energy Progress	2016A	2017E	2018E	2019E	2020E	2021E	2017 - 2021
Electric Generation	$389	$575	$700	$625	$550	$400	$2,850
Electric Transmission	42	25	75	75	75	100	$350
Electric Distribution	253	350	825	825	775	725	$3,500
Environmental[3]	261	400	375	300	275	325	$1,675
Duke Energy Progress Growth Capital	$ 945	$ 1,350	$ 1,975	$ 1,825	$ 1,675	$ 1,550	$ 8,375
Maintenance	1,002	600	500	600	600	600	2,900
Total Duke Energy Progress Capital	$ 1,947	$ 1,950	$ 2,475	$ 2,425	$ 2,275	$ 2,150	$ 11,275

(1) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017: amounts include AFUDC debt
(2) 2016 actual amounts include $287 million in coal ash closure spending that was included in operating cash flows
(3) 2016 actual amounts include $213 million in coal ash closure spending that was included in operating cash flows

Capital expenditures by utility (continued)[1]

($ in millions)

Duke Energy Florida	2016A	2017E	2018E	2019E	2020E	2021E	2017 - 2021
Electric Generation	$660	$550	$250	$300	$250	$475	$1,825
Electric Transmission	183	250	225	275	300	200	$1,250
Electric Distribution	166	250	275	400	450	475	$1,850
Environmental	3	25	25	25	-	-	$75
Duke Energy Florida Growth Capital	$ 1,012	$ 1,075	$ 775	$ 1,000	$ 1,000	$ 1,150	$ 5,000
Maintenance	572	350	375	425	450	450	2,050
Total Duke Energy Florida Capital	$ 1,584	$ 1,425	$ 1,150	$ 1,425	$ 1,450	$ 1,600	$ 7,050

Duke Energy Indiana	2016A	2017E	2018E	2019E	2020E	2021E	2017 - 2021
Electric Generation	$55	$75	$125	$125	$75	$50	$450
Electric Transmission	94	150	150	150	175	175	$800
Electric Distribution	126	225	250	250	225	200	$1,150
Environmental[2]	238	250	125	125	125	125	$750
Duke Energy Indiana Growth Capital	$ 513	$ 700	$ 650	$ 650	$ 600	$ 550	$ 3,150
Maintenance	283	150	125	200	150	125	750
Total Duke Energy Indiana Capital	$ 796	$ 850	$ 775	$ 850	$ 750	$ 675	$ 3,900

(1) As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017; amounts include AFUDC debt

(2) 2016 actual amounts include $45 million in coal ash closure spending that was included in operating cash flows

Capital expenditures by utility (continued)[1]

($ in millions)

Duke Energy OH/KY Electric	2016A	2017E	2018E	2019E	2020E	2021E	2017 - 2021
Electric Generation	$0	$25	$25	$25	$0	$0	$75
Electric Transmission	75	125	150	100	125	100	600
Electric Distribution	168	225	225	250	250	250	1,200
Environmental[2]	29	50	75	50	-	-	175
Duke Energy OH/KY Growth Capital	$272	$425	$475	$425	$375	$350	$2,050
Maintenance	58	100	125	75	100	50	450
Total Duke Energy OH/KY Electric Capital	$330	$525	$600	$500	$475	$400	$2,500

Duke Energy OH/KY Gas	2016A	2017E	2018E	2019E	2020E	2021E	2017 - 2021
LDC - Non-Rider	$86	$75	$100	$50	$50	$50	$325
LDC - Rider	15	-	-	-	-	-	-
Duke Energy OH/KY Gas Growth Capital	$101	$75	$100	$50	$50	$50	325
Maintenance	83	75	75	75	75	75	375
Total Duke Energy OH/KY Gas Capital	$184	$150	$175	$125	$125	$125	$700

Piedmont	2016A	2017E	2018E	2019E	2020E	2021E	2017 - 2021
LDC - Non-Rider	$36	$250	$450	$375	$250	$150	$1,475
LDC - Rider	60	325	300	225	300	175	1,325
Piedmont Growth Capital	$96	$575	$750	$600	$550	$325	2,800
Maintenance	19	100	125	100	75	100	500
Total Piedmont Capital	$115	$675	$875	$700	$625	$425	$3,300

(1) *As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017; amounts include AFUDC debt*
(2) *2016 actual amounts include $5 million in coal ash closure spending that was included in operating cash flows*

Environmental compliance expenditures by category[1]

($ in millions)

Category	2017 – 2021
Air (MATS)	$110
Water (316b)	$320
Waste (conversions)[2]	$770
Waste (closure)	$3,150
Total	$4,350

Coal Ash Closure Costs	Total Project Costs	Spend To Date[3]	2017 – 2021 Plan
Duke Energy Carolinas	$2,620	$460	$1,140
Duke Energy Progress	$2,550	$310	$1,420
Duke Energy Indiana	$960	$60	$510
Duke Energy Florida	$40	-	$40
Duke Energy Kentucky	$50	$10	$40
Total	$6,220	$840	$3,150

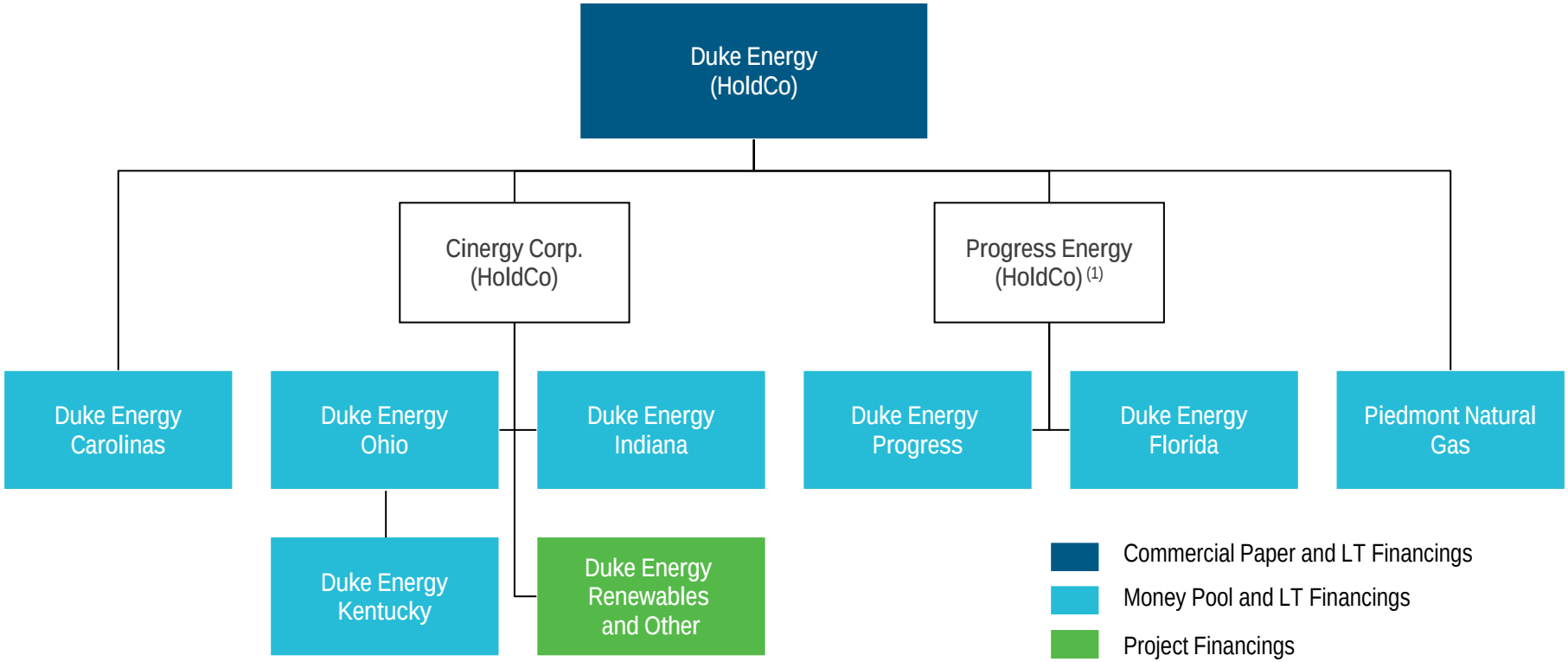
Expenditures for waste conversion to dry ash handling by jurisdiction:

- Carolinas: ~$525 million
- Midwest: ~$245 million

(1) *As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017*
(2) *Includes estimated wastewater treatment compliance expenditures associated with Steam Effluent Limitation Guidelines (ELG)*
(3) *As of Dec. 31, 2016*

Financing assumptions

Simplified financing structure



(1) Progress Energy HoldCo has long-term debt outstanding, but no future issuance is planned at this financing entity

Credit ratings (as of July 31, 2017)

Holding Companies

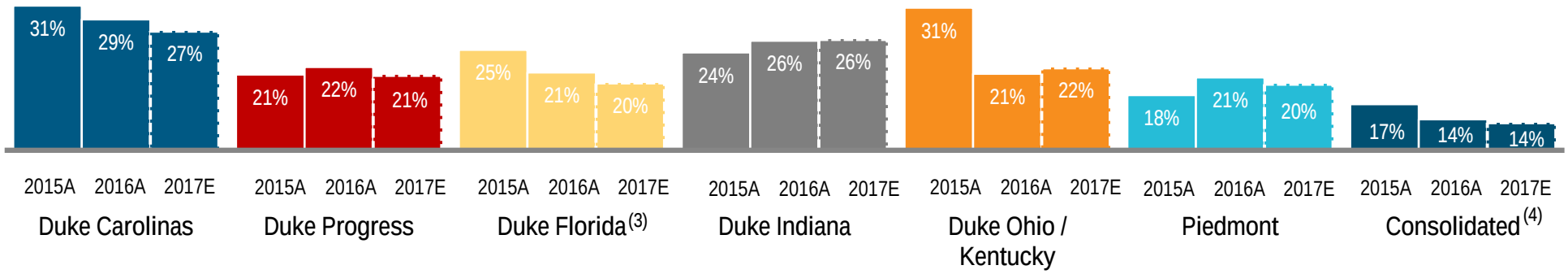
	Fitch	Moody's	S&P
DUKE ENERGY	Negative	Stable	Stable
Senior Unsecured Debt	BBB+	Baa1	BBB+
Commercial Paper	F-2	P-2	A-2
PROGRESS ENERGY	Stable	Stable	Stable
Senior Unsecured Debt	BBB	Baa2	BBB+

Operating Companies

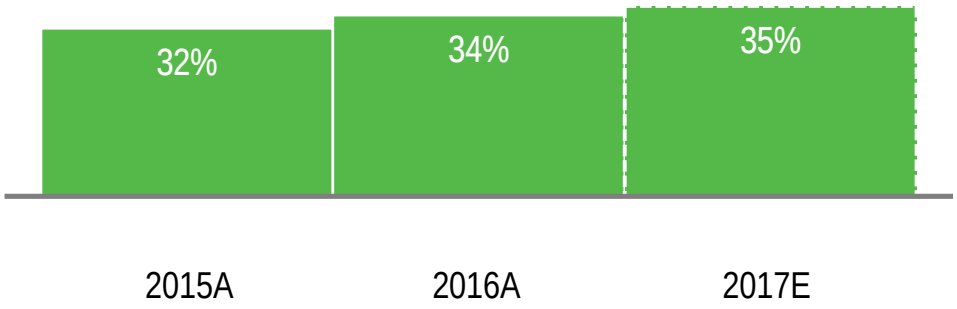
	Moody's	S&P
DUKE ENERGY CAROLINAS	Stable	Stable
Senior Secured Debt	Aa2	A
Senior Unsecured Debt	A1	A-
DUKE ENERGY PROGRESS	Stable	Stable
Senior Secured Debt	Aa3	A
DUKE ENERGY FLORIDA	Stable	Stable
Senior Secured Debt	A1	A
Senior Unsecured Debt	A3	A-
DUKE ENERGY INDIANA	Stable	Stable
Senior Secured Debt	Aa3	A
Senior Unsecured Debt	A2	A-
DUKE ENERGY OHIO	Stable	Stable
Senior Secured Debt	A2	A
Senior Unsecured Debt	Baa1	A-
DUKE ENERGY KENTUCKY	Stable	Stable
Senior Unsecured Debt	Baa1	A-
PIEDMONT NATURAL GAS	Stable	Stable
Senior Unsecured Debt	A2	A-
Commercial Paper	P-1	A-2

Credit metrics[1]
Committed to maintaining quality, investment-grade ratings

FFO/Debt[2]



HoldCo Debt / Total Debt



(1) *Amounts are not to scale and do not include all adjustments that may be made by the rating agencies; 2017E figures are original assumptions as disclosed on Feb. 16, 2017*
(2) *FFO excludes asset retirement obligation costs (after tax amount calculated using a 38% tax rate as a simplifying assumption)*
(3) *Assumes CR-3 securitization treated as off credit*
(4) *Consolidated metrics exclude increases to debt associated with purchase accounting*

2017 Financing plan: maintaining the strength of our balance sheet

KEY MESSAGES

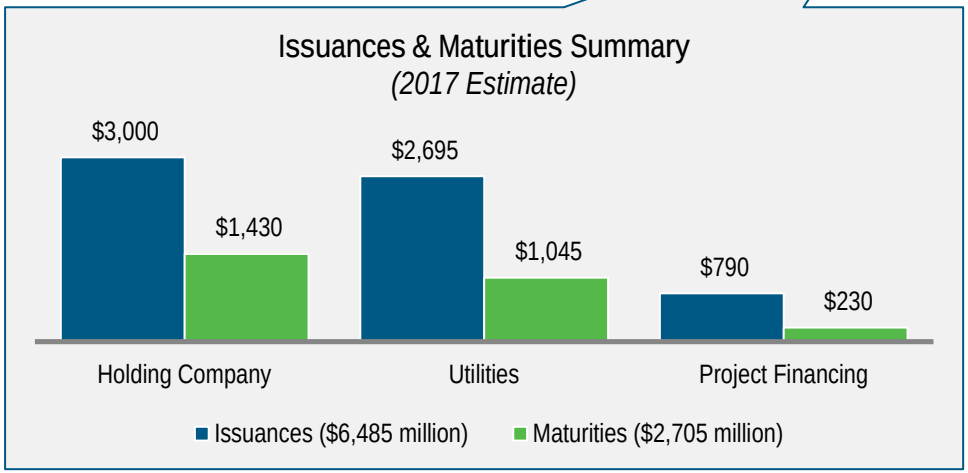
- Committed to maintaining strong credit quality, including investment-grade ratings
  - In January S&P affirmed DUK ratings and revised outlook from negative to stable
- Base plan assumes $350 million of DRIP equity issuances per year 2018 – 2021
- Credit metrics strengthen over the planning horizon

PRIMARY CREDIT METRICS

Metric	*Target*	*2017E*	*2021E*
FFO / Debt	> 16%	~14%	~17%
Holdco Debt Percentage	Low 30%'s	~35%	~34%

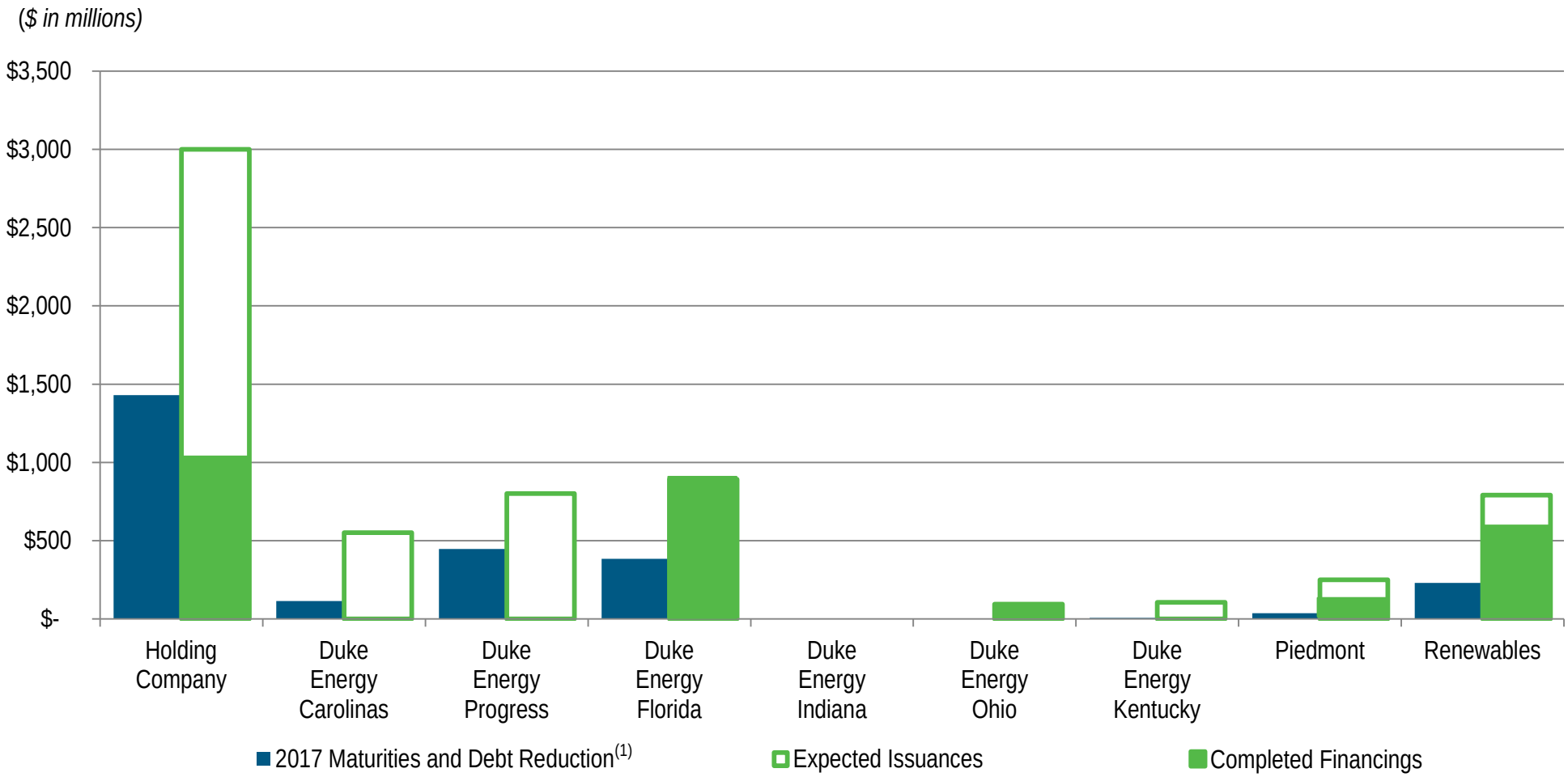
FORECASTED 2017 SUMMARY CASH FLOWS (1)

Adjusted net income (based on midpoint of 2017 guidance range)	$ 3,225
Depreciation & amortization	4,100
Deferred and accrued taxes	1,450
Other sources / (uses), net (2)	(940)
Primary sources	7,835
Capital expenditures	(9,425)
Dividends (subject to Board of Directors discretion)	(2,450)
Primary uses	(11,875)
Uses in excess of sources	(4,040)
Net Change in debt	3,780
Net Change in Cash	(260)



(1) *As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017; financing plan is subject to change, based on circumstances encountered throughout the year*
(2) *Includes changes in working capital, AFUDC equity, and pension contributions*

2017 financing plan (as of June 30, 2017)



(1) *Debt maturities and debt reduction reflect estimated net changes in commercial paper and notes payable*

Access to capital – 2017 long-term debt financing activity

Amount ($ in millions)	Entity	Date Issued	Credit Ratings (M/S&P, unless otherwise noted)	Term	Type	Rate
$650	DE Florida	January 2017	A1/A	10 Year	First Mortgage Bond	Fixed – 3.200%
$250	DE Florida	January 2017	A1/A	3 Year	First Mortgage Bond	Fixed – 1.850%
$100	DE Ohio	March 2017	A2/A	29.2 Year(1)	First Mortgage Bond	Fixed – 3.70%
$587	Texoma Wind	February 2017	BBB-(2)	17.4 Year(3)	Secured	Fixed – 4.12%
$420	Holdco(4)	April 2017	N/A	8 Year	Senior Notes	Fixed – 3.364%
$330	Holdco(4)	June 2017	Baa1/BBB+	3 Year	Senior Notes	Fixed – 2.100%
$270(5)	Holdco	June 2017	N/A	3 Year	Revolving Credit Facility	Floating
$125(6)	Piedmont	June 2017	N/A	1.5 Year	Term Loan	Floating

(1) Re-opener of $250 million 3.70% first mortgage bonds originally issued in June 2016 and due 2046
(2) As rated by Kroll Bond Rating Agency, Inc.
(3) Notes are amortizing, represents final year of maturity
(4) Issuance privately placed
(5) Amount drawn on a $1 billion revolving credit facility
(6) Amount drawn on a $250 million term loan

Liquidity summary (as of June 30, 2017)

($ in millions)

	Duke Energy	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio	Duke Energy Kentucky	Piedmont Natural Gas	Total
Master Credit Facility [1]	$ 3,150	$ 1,350	$ 1,250	$ 700	$ 600	$ 300	$ 150	$ 500	$ 8,000
Less: Notes payable and commercial paper [2]	(1,392)	(732)	(661)	-	(150)	-	(45)	(135)	(3,115)
Coal Ash Set-Aside	-	(250)	(250)	-	-	-	-	-	(500)
Outstanding letters of credit (LOCs)	(59)	(4)	(2)	(1)	-	-	-	(2)	(68)
Tax-exempt bonds	-	-	-	-	(81)	-	-	-	(81)
Available capacity	$ 1,699	$ 364	$ 337	$ 699	$ 369	$ 300	$ 105	$ 363	$ 4,236
Other Credit Facilities [3]	$ 1,000							$ 250	$ 1,250
Less: Borrowings Under Credit Facilities	(270)							(125)	(395)
Available capacity	$ 730	$ -	$ -	$ -	$ -	$ -	$ -	$ 125	$ 855
Cash & short-term investments [4]									194
Total available liquidity									$ 5,285

(1) Master Credit Facility supports tax-exempt put bonds, LOCs and the Duke Energy commercial paper program of $4.85 billion
(2) Includes permanent layer of commercial paper of $625 million, which is classified as long-term debt
(3) Duke Energy's 3-year funded revolver of $1 billion and Piedmont's 18-month term loan of $250 million
(4) Represents cash available to meet funding needs

Regulatory overview

Rate case activity and timeline

	Pre-Filing Notice	Filed Rate Case	Intervenor Testimony	Duke Rebuttal Testimony	Evidentiary Hearings Begin	Notes
DEP NC	May 2, 2017	June 1, 2017	Oct. 20, 2017	Nov. 6, 2017	Nov. 20, 2017	• Docket: E-2 Sub 1142 • Base rate case • Requested rates effective Feb. 1, 2018
DEC NC	July 25, 2017	Aug. 25, 2017	---	---	---	• Docket: E-7 Sub 1146 • Base rate Case • Requested rates effective Apr, 1, 2018, but no later than May 1, 2018
DEO	Jan. 31, 2017	March 2, 2017	---	---	---	• Docket: Case No. 17-32-EL-AIR • Distribution rate case • Procedural schedule not yet issued • The filing will consolidate recovery from certain existing capital riders into base rates
DEK	Aug. 2, 2017	Sept. 1, 2017	---	---	---	• Docket: Case No. 2017-00321 • Base rate Case • Requested rates effective April, 2018

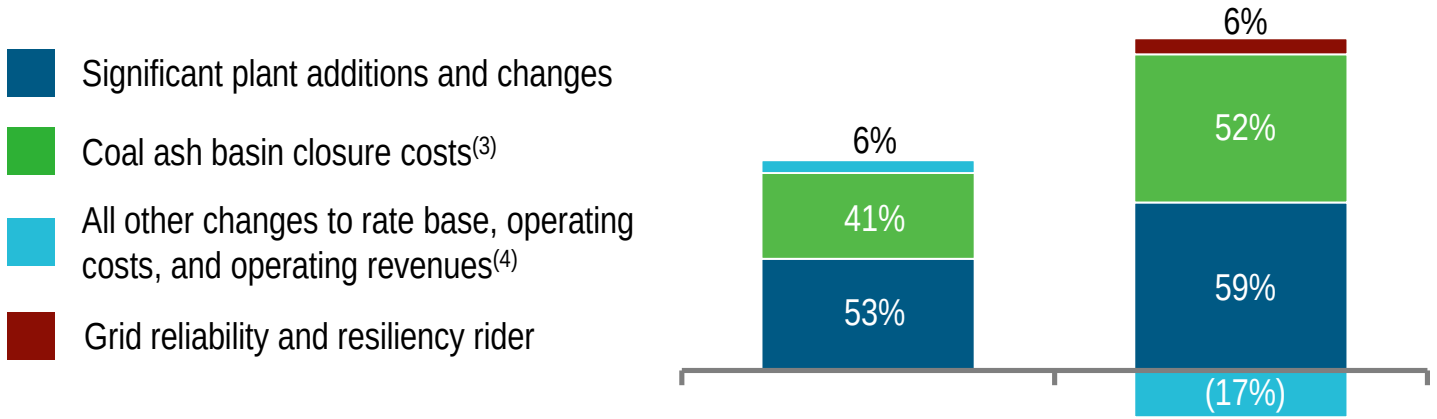
For additional details on key regulatory activity across all jurisdictions, please visit: www.duke-energy.com/investors

Over $1 billion of rate requests underway in North Carolina

ENGAGE
STAKEHOLDERS

~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
Noteworthy requests	Hurricane Matthew	Lee Nuclear Grid rider
Hearing begins	Nov. 20, 2017	TBD
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.*

Favorable settlement reached in Duke Energy Florida

ENGAGE STAKEHOLDERS

RATE CERTAINTY THROUGH 2021

WITH AGREED UPON RATE INCREASES AND SOLAR BASE RATE ADJUSTMENT

MAJOR PROVISIONS OF THE SETTLEMENT

Base Rate Adjustments

- Base rate increases of $67M per year 2019-2021
- 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

Current electric rate information by jurisdiction

	North Carolina	South Carolina	Florida	Indiana	Ohio (Electric)	Kentucky (Electric)
Retail Rate Base	$15.7 B [1] (DEC) $8.0 B [1] (DEP)		$10.0 B [2]	$7.1 B [3]	$1.1 B	$600 M [4]
Wholesale Rate Base	$1.5 B (DEC) 3Q 2016 $2.9 B (DEP) 3Q 2016		$1.1 B [2]	$600 M	$0.4 M (trans. only)	$0
Allowed ROE	10.20% (DEC & DEP)	10.20% (DEC) 10.10% (DEP)	10.50%[5]	10.50%	9.84% - Dist 11.38% - Trans	N/A per settlement
Allowed Equity	53.0% (DEC & DEP)	53.0% (DEC & DEP)	47.34%[6]	44.44% [7]	53.3%	51.0%
Effective Date of Most Recent Rates	9/24/13 (DEC) 6/1/13 (DEP)	9/17/13 (DEC) 1/1/2017 (DEP)	1/1/13	5/24/04	Distr: 5/5/13 Trans 6/1/16 ESP: 6/1/15	1/1/07
Fuel Clause Updated	Annually (DEC and DEP)	Annually (DEC and DEP)	Annually	Quarterly	Annually for Non-Shoppers	Monthly
Environmental Clause Updated	N/A	N/A	Annually	Semi-Annually	Quarterly	N/A
Nuclear Clause/Rider Updated	N/A	Not currently active (DEC and DEP)	Annually	N/A	N/A	N/A

(1) DEC's rate base as of September 2013. DEP NC's rate base as of May 2013. DEP SC as of December 2016.
(2) Thirteen-month average as of December 2016. Retail rate base includes amounts recovered in base rates of $9.5B and amounts recovered in trackers of $.5B.
(3) As of Dec. 31, 2016; includes amounts being recovered in base rates of $3.7B, amounts being recovered in environmental trackers of $1.1B, and amounts being recovered in IGCC trackers of $2.3B
(4) Kentucky allows recovery on total capitalization instead of rate base
(5) Represents the mid-point of an authorized range from 9.5% to 11.5%
(6) Florida's capital structure includes accumulated deferred income taxes (ADIT), customer deposits and investment tax credits (ITC) and is as of Dec. 31, 2012. Excluding these items, the capital structure approximates 53% equity
(7) Indiana's capital structure includes ADIT. When ADIT is excluded, resulting cap structure approximates 53% equity

General Rate Case Provisions

	North Carolina	South Carolina	Florida	Indiana	Ohio (Electric)	Kentucky (Electric)
Notice of Intent Required?	Yes	Yes	Yes	Yes(1)	Yes	Yes
Notice Period	30 Days	30 Days	60 Days	Varies	30 Days	28 Days
Test Year	Historical Adjusted for Known and Measureable Changes	Historical Adjusted for Known and Measureable Changes	Projected	Optional(2)	Partially Projected	Forecast Optional
Time Limitation Between Cases	No	12 months(3)	No	15 Months	No	No
Rates Effective Subject to Refund	7 Months After Filing	6 Months After Filing(4)	8 Months After Filing	10 Months After Filing(5)	9 Months After Filing	6 Months After Filing(6)

(1) IURC recommended procedure. Not a statutory requirement
(2) Utilities may elect to a historical test period, a forward-looking test period, or a hybrid test year in the context of a general rate case
(3) Our current settlement from the 2016 rate case in DEP SC precludes implementing new rates until 2019
(4) If the South Carolina Commission fails to rule on a rate case filing within 6 months, the new rates can be implemented and are not subject to refund. There is a grace period here. The Company would have to notify the Commission that it planned to put rates in and the Commission would then have 10 additional days to issue an order
(5) The utility may implement interim rates, subject to refund, if the IURC has not rendered a decision within 10 months of filing (can be extended 60 days by IURC). The interim rates are not to exceed 50% of the original request
(6) The effective date is 7 months after filing for a forecasted test year

Current gas rate information by jurisdiction

	North Carolina	South Carolina	Tennessee	Ohio (Gas)	Kentucky (Gas)
Rate Base ($M)	$1,822	$224	$349	$900[1]	$200[2]
Allowed ROE	10.0%	10.2%	10.2%	9.84%	10.38%
Allowed Equity	50.7%	53.0%	52.7%	53.3%	50.8%
Effective Date of Most Recent Rates	1/1/14	11/1/16[3]	3/1/12	12/1/13	1/1/10
Significant Rider Mechanisms	Margin Decoupling Tariff Integrity Management Fuel Clause	Rate Stabilization Adj. Weather Normalization Adj. Fuel Clause	Weather Normalization Adj. Integrity Management Fuel Clause	AMRP Fuel Clause	ASRP[4] Fuel Clause

(1) Excludes all rate base related to capital recovery that is being tracked (e.g., AMRP and AU after 3/31/2012)
(2) Reflects only the investment subject to KPSC jurisdiction
(3) Rates refreshed annually under the South Carolina Rate Stabilization Act (RSA) if earned ROE is outside a band of 50 bps around the previously authorized ROE
(4) Recovers incremental costs for the Accelerated Service Line Replacement (ASRP) Program

Electric Utilities and Infrastructure Supplement

A portfolio of attractive utilities in constructive jurisdictions

EIGHT UTILITIES IN HIGH-QUALITY REGIONS OF THE U.S.

CAROLINAS

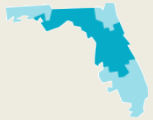


Duke Energy Carolinas (NC/SC)



Duke Energy Progress (NC/SC)

FLORIDA

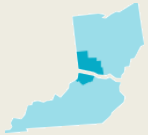


Duke Energy Florida

MIDWEST

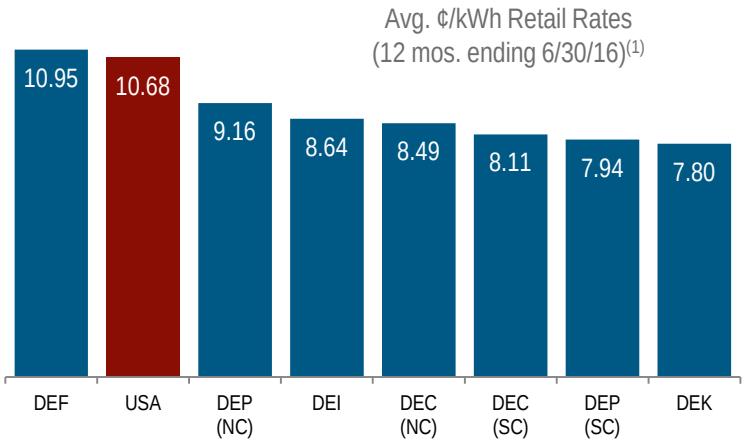


Duke Energy Indiana

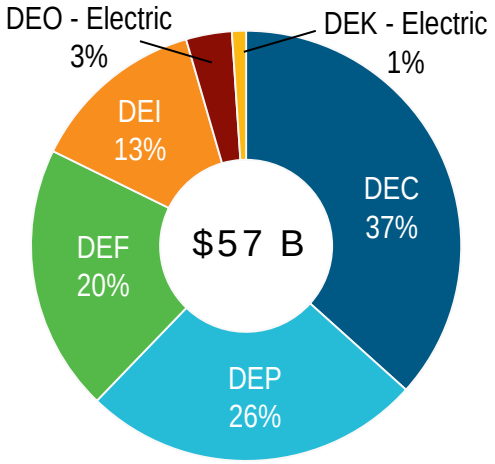


Duke Energy Ohio / Kentucky

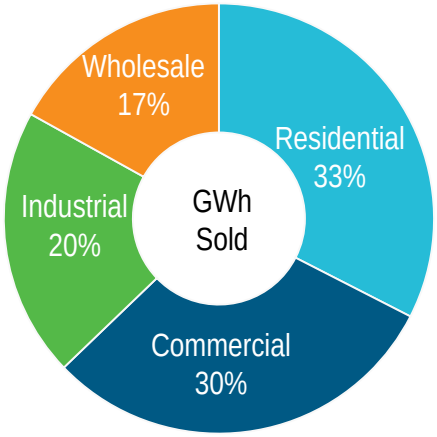
COMPETITIVE CUSTOMER RATES



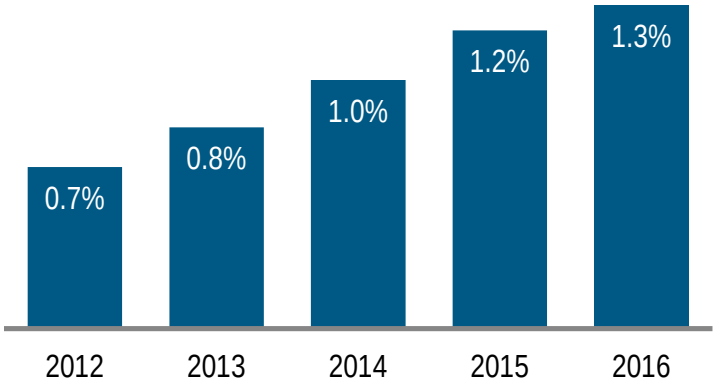
REGULATED ELECTRIC 2016 EARNINGS BASE



BALANCED CUSTOMER MIX



STRONG CUSTOMER GROWTH



(1) *Vertically integrated utilities only. Source: EEI Typical Bills and Avg. Rates Report Summer 2016*

Regulatory modernization remains a top priority

ENGAGE
STAKEHOLDERS

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



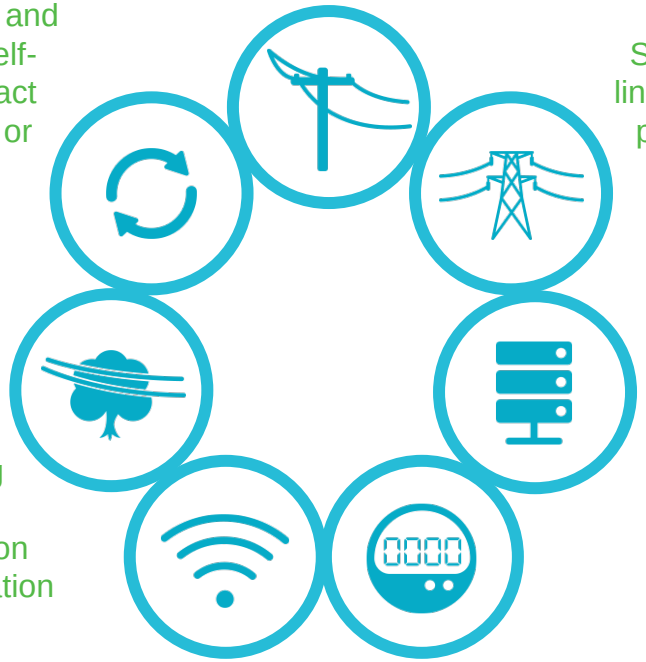
On July 28, 2017, the NCUC issued its Order Initiating Rulemaking opening docket E-100 Sub 150 and providing an opportunity for Companies and other interested parties to file initial comments, suggestions, or proposed rules or rule revisions relating to the implementation of H.B. 589. A procedural schedule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

Our grid modernization core categories

TARGETED UNDERGROUNDING
Move hard-to-access services underground to improve reliability

SELF-OPTIMIZATION
Add connectivity, capacity and control so the grid can self-identify problems and react automatically to shorten or eliminate outages

TRANSMISSION IMPROVEMENTS
Substation and transmission line upgrades, flood mitigation, physical and cyber security, and system intelligence



DISTRIBUTION HARDENING & RESILIENCY
Retrofit transformers; replace aged/deteriorating cable, conductors, poles, protective devices; vegetation management and flood mitigation

ENTERPRISE SYSTEM UPGRADES
Upgrade back-office systems needed to operate and manage grid devices

COMMUNICATION NETWORK UPGRADES
New and replacement fiber, microwave and tower installations; upgrading to 4G LTE for line devices

ADVANCED METERING INFRASTRUCTURE (AMI)
Enable automated meter reading, remote connects/disconnects, quicker outage detection

Gas Utilities and Infrastructure Supplement

Constructive LDC regulatory environment

North Carolina Regulatory Highlights

- Allows revenue decoupling mechanisms
- Integrity Management Rider (IMR) allows for recovery of capital expenditures to comply with federal pipeline safety and integrity requirements outside of a general rate case
- Rate Case History:
  - Dec 2013: 10% ROE; 50.7% Equity Ratio; $1.8 B Rate Base
  - Oct 2008: 10.6% ROE; 51% Equity Ratio; $1.3 B Rate Base





North Carolina IMR

- On September 4, 2015, Piedmont reached an IMR settlement with the NC Public Staff
- Settlement seeks to create regulatory certainty, balance interests of Piedmont shareholders and customers, and recognize ancillary operational benefits of system integrity expenditures
- Biannual rate adjustments each December 1 and June 1 based on system integrity investments closed to plant at September 30 and March 31
- Extension of the IMR tariff from Oct. 31, 2017 to Oct. 31, 2019
- Established procedural timeline for Public Staff's annual review of the IMR filings
- Fixed percentages of various classes of system integrity expenditures to be recovered through IMR with remaining to be recovered through future rate case:
  - Transmission Integrity: 85% IMR / 15% rate case
  - Distribution Integrity: 90% IMR / 10% rate case
  - Right-of-way clearing for integrity projects: 15% IMR / 85% rate case
  - Work and asset management system: 68% IMR / 32% rate case
- Tax-related adjustments
- Effective Nov. 1, 2015

Constructive LDC regulatory environment (continued)

South Carolina Regulatory Highlights

- Gas utilities are permitted to adjust rates annually under the Rate Stabilization Act (RSA) if earned ROE is outside a band of ±50 basis points around the previously authorized ROE
- Weather normalization mechanisms

Tennessee Regulatory Highlights

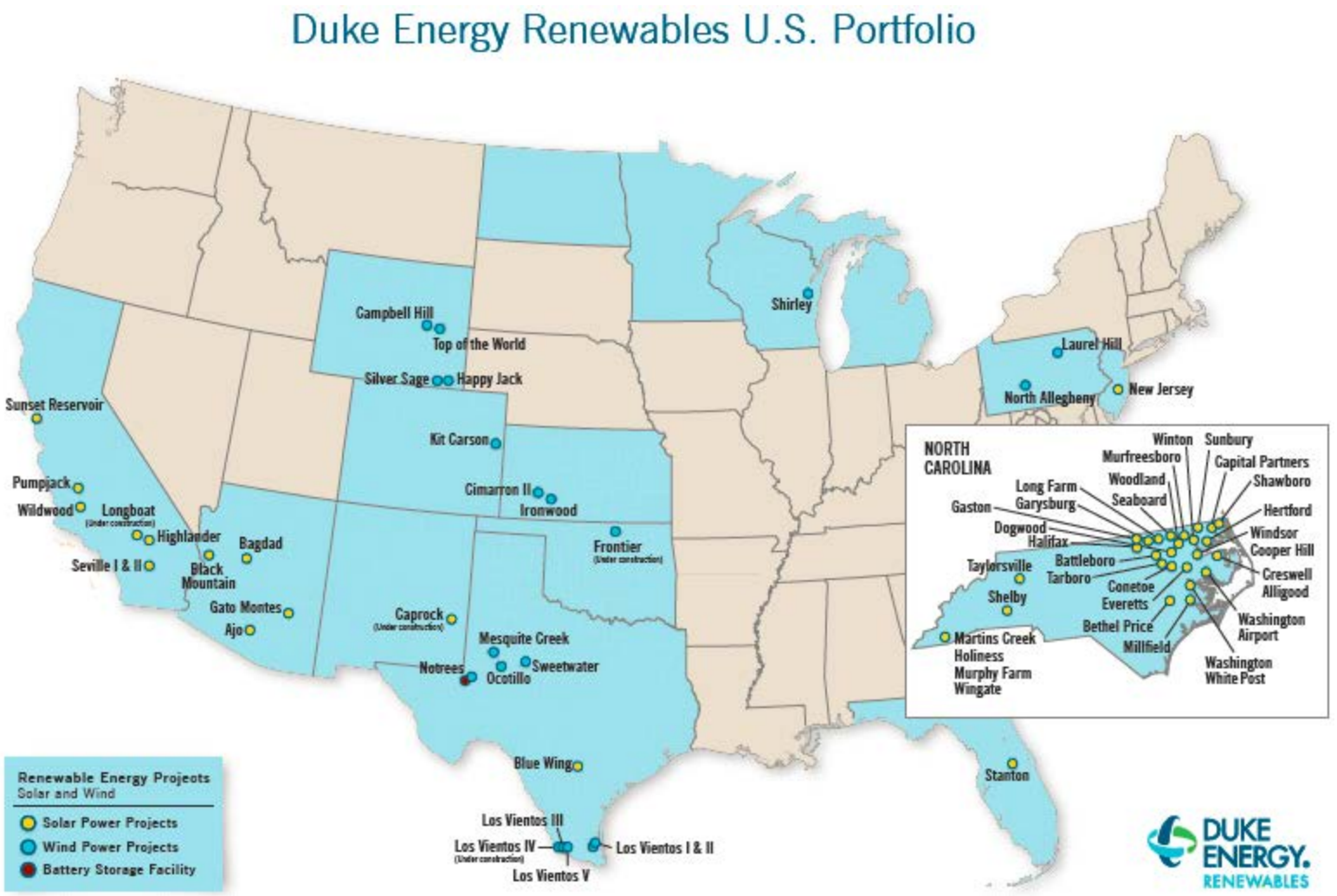
- Gas utilities can recover commodity costs through automatic adjustment clauses
- Purchased gas adjustment clauses
- Weather normalization clauses
- Incentive mechanisms related to gas procurement, capacity release, and off-system sales
- IMR allows recovery of costs associated with system integrity projects outside of base rate proceedings
- Rate Case History:
  - March 2012: 10.2% ROE; 53% Equity Ratio; $349 M Rate Base
  - November 2003: blackbox settlement on ROE; $260 M Rate Base

Margin Stabilizing Mechanisms

1. Purchased Gas Adjustment	All States
2. Recovery of Negotiated Industrial Rates	All States
3. Uncollectible Recovery – Gas Costs	All States
4. Secondary Marketing Programs	All States
6. Margin Decoupling Tariff	North Carolina
7. Rate Stabilization Tariff	South Carolina
8. Weather Normalization Adjustment	South Carolina & Tennessee
9. Integrity Management Riders	North Carolina & Tennessee

Commercial Renewables Supplement

Duke Energy commercial renewables asset locations(1)



(1) *A full list of generation facilities can be found at https://www.duke-energy.com//_/media/pdfs/our-company/renewables-n-america-facilities.pdf*

Duke Energy's accounting for renewable tax credits

INVESTMENT TAX CREDITS

- Current ITC available is 30 percent for wind and solar projects
- The solar ITC will step down from 30% to 10%*
- ITCs reduce the book basis of the asset, which is recognized over the life of the plant through lower depreciation expense
- ITCs provide an initial deferred tax benefit equal to 50 percent of the total ITC – recognized in year one

PRODUCTION TAX CREDITS

- Primarily recognized on wind projects
- PTC benefits are recognized over the first 10 years of operation, as the facility generates energy

HIGH LEVEL ITC EXAMPLE

Project Cost	$500 million
30% ITC Cash Benefit	$150 million
Life of Asset	20 Years
Free Basis (1/2 of ITC)	$75 million
Year One Deferred Tax Benefit (Free Basis x 35%)	$26.3 million
Annual reduction in depreciation expense from ITC benefit over project life	$7.5 million





** Projects that start construction by 2019 will receive the current 30% ITC, while projects that begin construction in 2020 and 2021 will receive 26% and 22%, respectively. From 2022 onwards, projects will receive a 10% ITC.*



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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
Fall Update 2017

Adjusted Diluted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) Fall Update 2017 include a discussion of adjusted diluted EPS for the quarter-to-date and year-to-date periods ended June 30, 2017 and 2016 and the year ended December 31, 2016.

The non-GAAP financial measure, adjusted diluted EPS, represents diluted EPS from continuing operations attributable to Duke Energy Corporation common stockholders, adjusted for the per-share impact of special items. As discussed below, 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. Reconciliations of adjusted diluted EPS for the quarter-to-date and year-to-date periods ended June 30, 2017 and 2016 and the year ended December 31, 2016, to the most directly comparable GAAP measures are included here-in.

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

- Costs to Achieve Mergers represent charges resulting from strategic acquisitions.
- Cost Savings Initiatives represent severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.
- Commercial renewables impairment and asset impairment represent other-than-temporary impairments.

Adjusted diluted EPS also include operating results of the Latin American generation business (International Disposal Group), which have been classified as discontinued operations. Management believes inclusion of the operating results of the disposal group within adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Adjusted Diluted EPS Guidance

The materials for Duke Energy's Fall Update 2017 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 (as discussed above under Adjusted Diluted 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 and Adjusted Other Net Expense, and Forecasted Adjusted Segment Income and Forecasted Adjusted Other Net Expense

The materials for Duke Energy's Fall Update 2017 include a discussion of adjusted segment income and adjusted other net expense for the year-to-date period ended June 30, 2017 and a discussion of forecasted 2017 adjusted segment income and forecasted adjusted net expense. The materials also reference the long-term range of annual growth by segment in adjusted diluted EPS (on a CAGR basis).

Adjusted segment income and adjusted other net expense are non-GAAP financial measures, as they represent reported segment income and other net expense adjusted for special items (as discussed above under Adjusted Diluted EPS). Management believes that the presentation of adjusted segment income and adjusted other net expense provides useful information to investors, as it provides them an additional relevant comparison of a segment's or Other's performance across periods. When an EPS amount is provided for a segment income driver, the per-share impact is derived by taking the pretax amount of the item less income taxes based on the consolidated statutory tax rate of 38 percent, except for Duke Energy Renewables, which uses an effective tax rate, divided by the Duke Energy weighted-average diluted shares outstanding for the period. The most directly comparable GAAP measure for adjusted segment income and adjusted other net expense is reported segment income and other net expense, which represents segment income and other net expense from continuing operations, including any special items. A reconciliation of adjusted segment income and adjusted other net expense for the year-to-date period ended June 30, 2017, to the most directly comparable GAAP measures is included here-in. Due to the forward-looking nature of any forecasted adjusted segment income and forecasted other net expense 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 Diluted EPS Guidance.

Adjusted Effective Tax Rate (ETR)

The materials for Duke Energy's Fall Update 2017 include a discussion of the adjusted ETR for the year-to-date period ended June 30, 2017. The materials also include a discussion of the 2017 forecasted adjusted ETR. Adjusted ETR is a non-GAAP financial measure as the rate is calculated using a pretax earnings and income tax expense, both adjusted for the impact of special items, as discussed above under Adjusted Diluted EPS. The most directly comparable GAAP measure for adjusted ETR is reported ETR. A reconciliation of the adjusted ETR for the year-to-date period ended June 30, 2017 to the most directly comparable GAAP measure is included here-in. Due to the forward-looking nature of the 2017 forecasted adjusted ETR, 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 Diluted EPS Guidance.

Dividend Payout Ratio

The materials for Duke Energy's Fall Update 2017 include a discussion of Duke Energy's forecasted dividend payout ratio of 70% - 75% through 2021 based upon adjusted diluted EPS. This payout ratio is a non-GAAP financial measure as it is based upon forecasted diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items, as discussed above under Adjusted Diluted EPS. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders. 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 Diluted EPS Guidance.

Adjusted Book Return on Equity (ROE)

The materials for Duke Energy's Fall Update 2017 include a reference to the 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 Diluted 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.

Funds From Operations ("FFO") Ratios

The materials for Duke Energy's Fall Update 2017 include a reference to historical and expected FFO to Total Debt ratios. These ratios reflect 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, asset retirement obligations spend and reduced for capitalized interest (including any AFUDC interest). The denominator for the FFO to Total Debt ratio is the balance of long-term debt (excluding purchase accounting adjustments and long-term debt associated with the CR3 Securitization), including current maturities, plus notes payable and commercial paper outstanding. The calculation of FFO to Total Debt ratio is included here-in.

Holdco Debt Percentage

The materials for Duke Energy's Fall Update 2017 include a reference to a targeted Holdco debt percentage. This percentage reflects a non-GAAP financial measure. The numerator of the Holdco debt percentage is the balance of Duke Energy Corporate debt, Progress Energy, Inc. debt, PremierNotes and the Commercial Paper attributed to the Holding Company. The denominator for the percentage is the balance of long-term debt (excluding purchase accounting adjustments and long-term debt associated with the CR3 Securitization), including current maturities, plus notes payable and commercial paper outstanding.

Available Liquidity

The materials for Duke Energy's Fall Update 2017 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 remaining availability under the master credit and other facilities. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents. A reconciliation of available liquidity as of June 30, 2017 to the most directly comparable GAAP measure is included here-in.

Non-Rider Recoverable O&M

The materials for Duke Energy's Fall Update 2017 include a discussion of Duke Energy's non-rider recoverable operating, maintenance and other expenses (O&M) for the years ended December 31, 2016, 2015 and 2014, as well as the forecasted year ended December 31, 2017. Non-rider recoverable O&M expenses are non-GAAP financial measures, as they represent reported O&M expenses adjusted for special items and expenses that are recovered through riders. Management believes that the presentation of non-rider recoverable O&M expenses provides useful information to investors, as it provides a meaningful comparison of financial performance across periods. The most directly comparable GAAP financial measure for non-rider recoverable O&M expenses is reported O&M. A reconciliation of non-recoverable O&M expenses for the years ended December 31, 2016, 2015 and 2014, as well as the forecasted year ended December 31, 2017, to the most directly comparable GAAP measure are included here-in.

Business Mix Percentages

The materials for Duke Energy's Fall Update 2017 reference each segments 2017 projected adjusted segment income as a percentage of the total projected 2017 adjusted net income (i.e. business mix), excluding the impact of Other. Duke Energy's segments are comprised of Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The materials also reference the ten-year target percentage of total Gas Utilities and Infrastructure adjusted segment income as a percentage of the total adjusted net income, excluding the impact of Other.

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 Diluted EPS Guidance).

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2016
(Dollars in millions, except per-share amounts)

		Special Items						
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	Commercial Renewables Impairment	International Energy Operations	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME								
Electric Utilities and Infrastructure	**$ 3,040**	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,040
Gas Utilities and Infrastructure	**152**	—	—	—	—	—	—	152
Commercial Renewables	**23**	—	—	45 **C**	—	—	45	68
Total Reportable Segment Income	**3,215**	**—**	**—**	**45**	**—**	**—**	**45**	**3,260**
International Energy	**—**	—	—	—	243 **D**	—	243	243
Other	**(645)**	329 **A**	57 **B**	—	—	—	386	(259)
Intercompany Eliminations	**1**	—	—	—	—	(1)	(1)	—
Discontinued Operations	**(419)**	—	—	—	(243) **D**	662 **E**	419	—
Net Income Attributable to Duke Energy Corporation	**$ 2,152**	**$ 329**	**$ 57**	**$ 45**	**$ —**	**$ 661**	**$ 1,092**	**$ 3,244**
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	**$ 3.11**	**$ 0.48**	**$ 0.08**	**$ 0.07**	**$ —**	**$ 0.95**	**$ 1.58**	**$ 4.69**

A - Net of $194 million tax benefit. Includes $11 million recorded within Operating Revenues, $278 million recorded within Operating Expenses and $234 million recorded within Interest Expense on the Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of $35 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

C - Net of $26 million tax benefit. Other-than-temporary impairment included within Equity in earnings (losses) of unconsolidated affiliates on the Consolidated Statements of Operations.

D - Net of $27 million tax expense. Operating results of the International Disposal Group, which exclude the loss and impairment described below and other miscellaneous transaction-related costs, recorded within (Loss) Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.

E - Recorded within (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes a loss on the sale of the International Disposal Group, an impairment charge related to certain assets in Central America, and a tax benefit related to previously sold businesses.

Weighted Average Shares, Diluted (reported and adjusted) - 691 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended June 30, 2017
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Item: Costs to Achieve Piedmont Merger	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME					
Electric Utilities and Infrastructure	**$ 729**	$ —	$ —	$ —	$ 729
Gas Utilities and Infrastructure	**27**	—	—	—	27
Commercial Renewables	**26**	—	—	—	26
Total Reportable Segment Income	**782**	**—**	**—**	**—**	**782**
Other	**(94)**	19 **A**	—	19	(75)
Discontinued Operations	**(2)**	—	2 **B**	2	—
Net Income Attributable to Duke Energy Corporation	**$ 686**	**$ 19**	**$ 2**	**$ 21**	**$ 707**
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	**$ 0.98**	**$ 0.03**	**$ —**	**$ 0.03**	**$ 1.01**

A - Net of $11 million tax benefit. $30 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

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

Weighted Average Shares, Diluted (reported and adjusted) - 700 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2017
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Item: Costs to Achieve Piedmont Merger	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME					
Electric Utilities and Infrastructure	**$ 1,364**	$ —	$ —	$ —	$ 1,364
Gas Utilities and Infrastructure	**160**	—	—	—	160
Commercial Renewables	**51**	—	—	—	51
Total Reportable Segment Income	**1,575**	**—**	**—**	**—**	**1,575**
Other	**(171)**	29 **A**	—	29	(142)
Discontinued Operations	**(2)**	—	2 **B**	2	—
Net Income Attributable to Duke Energy Corporation	**$ 1,402**	**$ 29**	**$ 2**	**$ 31**	**$ 1,433**
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	**$ 2.00**	**$ 0.05**	**$ —**	**$ 0.05**	**$ 2.05**

A - Net of $17 million tax benefit. $45 million recorded within Operating Expenses and $1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

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

Weighted Average Shares, Diluted (reported and adjusted) - 700 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended June 30, 2016
(Dollars in millions, except per-share amounts)

		Special Items					
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	International Energy Operations	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME							
Electric Utilities and Infrastructure	**$ 704**	$ —	$ —	$ —	$ —	$ —	$ 704
Gas Utilities and Infrastructure	**16**	—	—	—	—	—	16
Commercial Renewables	**11**	—	—	—	—	—	11
Total Reportable Segment Income	**731**	**—**	**—**	**—**	**—**	**—**	**731**
International Energy	**—**	—	—	31 **C**	—	31	31
Other	**(107)**	69 **A**	15 **B**	—	—	84	(23)
Discontinued Operations	**(115)**	—	—	(31) **C**	146 **D**	115	—
Net Income Attributable to Duke Energy Corporation	**$ 509**	**$ 69**	**$ 15**	**$ —**	**$ 146**	**$ 230**	**$ 739**
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	**$ 0.74**	**$ 0.10**	**$ 0.02**	**$ —**	**$ 0.21**	**$ 0.33**	**$ 1.07**

A - Net of $42 million tax benefit. Includes $28 million recorded within Operating Expenses and $83 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of $9 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

C - Net of $35 million tax expense. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

D - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 690 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2016
(Dollars in millions, except per-share amounts)

		Special Items					
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	International Energy Operations	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME							
Electric Utilities and Infrastructure	**$ 1,368**	$ —	$ —	$ —	$ —	$ —	$ 1,368
Gas Utilities and Infrastructure	**48**	—	—	—	—	—	48
Commercial Renewables	**37**	—	—	—	—	—	37
Total Reportable Segment Income	**1,453**	**—**	**—**	**—**	**—**	**—**	**1,453**
International Energy	**—**	—	—	148 **C**	—	148	148
Other	**(255)**	143 **A**	27 **B**	—	—	170	(85)
Discontinued Operations	**5**	—	—	(148) **C**	143 **D**	(5)	—
Net Income Attributable to Duke Energy Corporation	**$ 1,203**	**$ 143**	**$ 27**	**$ —**	**$ 143**	**$ 313**	**$ 1,516**
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	**$ 1.74**	**$ 0.21**	**$ 0.04**	**$ —**	**$ 0.21**	**$ 0.46**	**$ 2.20**

A - Net of $88 million tax benefit. Includes $1 million recorded within Operating Revenues, $47 million recorded within Operating Expenses and $183 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of $17 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

C - Includes $4 million tax benefit. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

D - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 689 million

DUKE ENERGY CORPORATION
ADJUSTED EFFECTIVE TAX RECONCILIATION
June 2017
(Dollars in Millions)

	Six Months Ended June 30, 2017	
	Balance	**Effective Tax Rate**
Reported Income From Continuing Operations Before Income Taxes	$ 2,079	
Costs to Achieve Piedmont Merger	46	
Noncontrolling Interests	(4)	
Adjusted Pretax Income	$ 2,121	
Reported Income Tax Expense From Continuing Operations	$ 671	32.3%
Costs to Achieve Piedmont Merger	17	
Adjusted Tax Expense	$ 688	32.4% *

	Six Months Ended June 30, 2016	
	Balance	**Effective Tax Rate**
Reported Income From Continuing Operations Before Income Taxes	$ 1,706	
Costs to Achieve Mergers	231	
Cost Savings Initiatives	44	
International Energy Operations	144	
Noncontrolling Interests	(3)	
Adjusted Pretax Income	$ 2,122	
Reported Income Tax Expense From Continuing Operations	$ 505	29.6%
Costs to Achieve Mergers	88	
Cost Savings Initiatives	17	
International Energy Operations	(4)	
Adjusted Tax Expense	$ 606	28.6% *

*Adjusted effective tax rate is a non-GAAP financial measure as the rate is calculated using pretax earnings and income tax expense, both adjusted for the impact of special items. The most directly comparable GAAP measure for adjusted effective tax rate is reported effective tax rate, which includes the impact of special items.

Duke Energy Corporation
Available Liquidity Reconciliation
As of June 30, 2017
(In millions)

Cash and Cash Equivalents	$ 298	
Less: Certain Amounts Held in Foreign Jurisdictions	(65)	
Less: Unavailable Domestic Cash	(39)	
	194	
Plus: Remaining Availability under Master Credit Facilities and other facilities	5,091	
Total Available Liquidity (a)	$ 5,285	(approximately 5.3 billion)

(a) The available liquidity balance presented is a non-GAAP financial measure as it represents Cash and cash equivalents, excluding certain amounts held in foreign jurisdictions and cash otherwise unavailable for operations, and remaining availability under Duke Energy's available credit facilities, including the master credit facility. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents.

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

	Actual December 31, 2014	Actual December 31, 2015	Actual December 31, 2016	Forecast December 31, 2017
Operation, maintenance and other[a]	**$5,506**	**$5,539**	**$6,085**	**$6,201**
Adjustments:				
Costs to Achieve, Mergers[b]	(178)	(69)	(238)	(118)
Severance[b]	–	(142)	(92)	–
Litigation Reserve[b]	(102)	–	–	–
Ash Basin Settlement and Penalties[b]	–	(14)	–	–
Reagents Recoverable[c]	(140)	(111)	(93)	(248)
Energy Efficiency Recoverable[c]	(298)	(287)	(417)	(434)
Other Deferrals and Recoverable[c]	(100)	(93)	(233)	(256)
Margin based O&M for Commercial Businesses	–	(48)	(185)	(256)
Short-term incentive payments (over)/under target	(6)	(19)	(90)	–
Piedmont O&M	–	–	(69)	(296)
Non-Rider Recoverable operation, maintenance and other before Piedmont	**$ 4,682**	**$ 4,756**	**$ 4,667**	**$ 4,593**
Piedmont O&M	–	–	69	296
Non-Rider Recoverable operation, maintenance and other	**$ 4,682**	**$ 4,756**	**$ 4,736**	**$ 4,889**

(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.

Duke Energy Corporation
2017 Forecasted Cash Flow Reconciliation, Required by SEC Regulation G
($ in millions)

		Forecast 2017
Primary Sources:		
Adjusted net income (1)	(a)	$ 3,225
Depreciation & amortization	(a)	4,100
Deferred and accrued taxes	(a)	1,450
Other sources / (uses), net	(a)	(940)
Total Sources		7,835
Primary Uses:		
Capital expenditures (including discretionary)	(b)	(9,425)
Dividends	(c)	(2,450)
Total Uses		(11,875)
Uses in Excess of Sources		(4,040)
Net Change in Financing		
Debt issuances	(c)	6,485
Debt maturities	(c,d)	(2,705)
Net Change in Debt		3,780
Net Change in Cash		$ (260)
Reconciliations to forecasted U.S. GAAP reporting amounts:		
Operating cash flow components, sum of (a) from above		$ 7,835
Reconciling items to GAAP cash flows from operating activities	(2)	(1,100)
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows		$ 6,735
Investing cash flow components, (b) from above		$ (9,425)
Reconciling items to GAAP cash flows from investing activities	(2)	1,100
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows		$ (8,325)
Financing cash flow components, sum of (c) from above		$ 1,330
Reconciling items to GAAP cash flows from financing activities		-
Net cash used in financing activities per GAAP Consolidated Statement of Cash Flows		$ 1,330
Debt maturities [(d) from above] includes "Notes payable and commercial paper" which is separately presented per GAAP Consolidated Statements of Cash Flows		
Net decrease in cash and cash equivalents per forecasted GAAP Consolidated Statements of Cash Flows		$ (260)

Notes:

(1) The forecasted adjusted net income of $3,225 million for 2017 is an illustrative amount based on the midpoint of Duke Energy's adjusted diluted EPS guidance range of $4.50-$4.70 per share. The EPS measure used for employee incentive compensation is primarily based on adjusted diluted EPS. 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 and the mark-to-market impacts of economic hedges in the Commercial segment. 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 diluted EPS is reported diluted 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) included in the "Capital expenditures (including discretionary)", which are combined for the GAAP reconciliation in Investing activities; and an adjustment for investing cash flow items (principally distributions from equity investments and Other) included in the "Other sources/(uses), net", which are combined for the GAAP reconciliation in Operating activities.

DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2014
dollars in millions

	Duke Energy Carolinas	Duke Energy Progress	Total Carolinas	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio Reportable Segments	
Reported Net Income 2014	$ 1,072	$ 467	$ 1,539	$ 548	$ 359	$ 202	(2)
Special Items (1)	139	56	195	14	7	-	
Adjusted Net Income 2014	1,211	523	1,734	562	366	202	
2014							
Equity	10,924	5,867	16,791	5,222	3,848	2,702	(3)
Goodwill	-	-	-	-	-	920	
Equity less Goodwill	10,924	5,867	16,791	5,222	3,848	1,782	
2013							
Equity	10,350	5,625	15,975	4,797	3,939	2,953	(3)
Goodwill	-	-	-	-	-	920	
Equity less Goodwill	10,350	5,625	15,975	4,797	3,939	2,033	
Average Equity less Goodwill			16,383	5,010	3,894	1,908	
Adjusted Book ROEs			10.6%	11.2%	9.4%	10.6%	

(1) Costs to Achieve (CTA), Mergers net of tax and Litigation Reserve.
(2) Net Income for 2014 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA.
(3) Reconciliation of Duke Energy Ohio Equity to Equity of the reportable segments:

	2014	2013
Reported Equity for Duke Energy Ohio	4,674	5,269
Less: Non-Reg & Other	1,972	2,316
Duke Energy Ohio Reportable Segments	2,702	2,953

DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2015
dollars in millions

	Duke Energy Carolinas	Duke Energy Progress	Total Carolinas	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio Reportable Segments	
Reported Net Income 2015	$ 1,081	$ 566	$ 1,647	$ 599	$ 316	$ 191	(2)
Special Items (1)	94	34	128	12	66	3	
Adjusted Net Income 2015	1,175	600	1,775	611	382	194	
2015							
Equity	11,606	7,059	18,665	5,121	3,836	2,855	(3)
Goodwill	-	-	-	-	-	920	
Equity less Goodwill	11,606	7,059	18,665	5,121	3,836	1,935	
2014							
Equity	10,924	5,867	16,791	5,222	3,848	2,702	(3)
Goodwill	-	-	-	-	-	920	
Equity less Goodwill	10,924	5,867	16,791	5,222	3,848	1,782	
Average Equity less Goodwill			17,728	5,172	3,842	1,859	
Adjusted Book ROEs			10.0%	11.8%	9.9%	10.4%	

(1) Costs to Achieve (CTA), Mergers net of tax, Edwardsport Settlement, Cost Savings Initatives and Ash Basin Settlements and Penalties.

(2) Net Income for 2015 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA.

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

	2015	2014
Reported Equity for Duke Energy Ohio	2,784	4,674
Less: Non-Reg & Other	(71)	1,972
Duke Energy Ohio Reportable Segments	2,855	2,702

DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2016
dollars in millions

	Duke Energy Carolinas	Duke Energy Progress	Total Carolinas	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio Reportable Segments	
Reported Net Income 2016	$ 1,166	$ 599	$ 1,765	$ 551	$ 381	$ 231	(2)
Special Items (1)	91	50	141	19	10	-	
Adjusted Net Income 2016	1,257	649	1,906	570	391	231	
2016							
Equity	10,772	7,358	18,130	4,900	4,067	3,027	(3)
Goodwill	-	-	-	-	-	920	
Equity less Goodwill	10,772	7,358	18,130	4,900	4,067	2,107	
2015							
Equity	11,606	7,059	18,665	5,121	3,836	2,855	(3)
Goodwill	-	-	-	-	-	920	
Equity less Goodwill	11,606	7,059	18,665	5,121	3,836	1,935	
Average Equity less Goodwill			18,398	5,011	3,952	2,021	
Adjusted Book ROEs			10.4%	11.4%	9.9%	11.4%	

(1) Costs to Achieve (CTA), Mergers net of tax and Cost Savings Initatives.
(2) Net Income for 2016 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA and cost savings initatives.
(3) Reconciliation of Duke Energy Ohio Equity to Equity of the reportable segments:

	2016	2015
Reported Equity for Duke Energy Ohio	2,996	2,784
Less: Non-Reg & Other	(31)	(71)
Duke Energy Ohio Reportable Segments	3,027	2,855

FFO to Debt Calculation
Duke Energy Corporation
(in millions)

	Years Ended December 31,		
	2017 Forecast	**2016 Actual**	**2015 Actual**
Cash From Operations	$ 6,734	$ 6,798	$ 6,676
Working capital adjustment (1)	184	(345)	(181)
Capitalized Interest	(124)	(100)	(98)
CR3 securitization adjustment	(55)	(35)	-
Other	18	19	18
Funds From Operations	6,757	6,337	6,415
ARO spend	-	608	346
ARO spend, net of tax at 38%	348	377	215
FFO exc. coal ash spend (net of tax)	**$ 7,105**	**$ 6,714**	**$ 6,630**
Notes payable and commercial paper	$ -	$ 2,487	$ 3,633
Current maturities of long-term debt	-	2,319	2,026
Long-term debt	-	45,576	36,842
Purchase accounting adjustments	-	(2,671)	(2,702)
CR3 securitization	-	(1,279)	-
Other	-	(125)	(142)
Total Debt	**$ 50,802**	**$ 46,307**	**$ 39,657**
FFO / Debt	**14%**	**14%**	**17%**
(1) Working capital detail, excluding mark-to-market			
Receivables	$ (184)	$ (391)	$ 359
Inventory	158	272	(237)
Other current assets	(152)	(220)	(65)
Accounts payable	(16)	266	(6)
Taxes accrued	38	236	(38)
Other current liabilities	(28)	182	168
	$ (184)	$ 345	$ 181

FFO to Debt Calculation
Duke Energy Carolinas
(in millions)

	Years Ended December 31,		
	2017 Forecast	**2016 Actual**	**2015 Actual**
Cash From Operations	$ 2,556	$ 2,976	$ 2,373
Working capital adjustment (1)	88	(333)	128
Capitalized Interest	(46)	(38)	(38)
Funds From Operations	2,598	2,605	2,463
ARO spend	-	287	167
ARO spend, net of tax at 38%	145	178	104
FFO exc. coal ash spend (net of tax)	**$ 2,743**	**$ 2,783**	**$ 2,567**
Current maturities of long-term debt	$ -	$ 116	$ 356
Long-term debt	-	9,187	7,711
Long-term debt payable to affiliated companies	-	300	300
Total Debt	**$ 10,047**	**$ 9,603**	**$ 8,367**
FFO / Debt	**27%**	**29%**	**31%**
(1) Working capital detail, excluding mark-to-market			
Receivables	$ (33)	$ (76)	$ 42
Receivables from affiliated companies	-	(56)	(32)
Inventory	20	215	(157)
Other current assets	(126)	67	(51)
Accounts payable	23	(85)	(4)
Accounts payable to affiliated companies	-	18	75
Taxes accrued	(6)	187	(128)
Other current liabilities	34	63	127
	$ (88)	$ 333	$ (128)

FFO to Debt Calculation
Duke Energy Progress
(in millions)

	Years Ended December 31,		
	2017 Forecast	**2016 Actual**	**2015 Actual**
Cash From Operations	$ 1,305	$ 1,932	$ 1,594
Working capital adjustment (1)	106	(502)	(219)
Capitalized Interest	(22)	(17)	(20)
Other	3	2	2
Funds From Operations	1,392	1,415	1,357
ARO spend	-	212	109
ARO spend, net of tax at 38%	148	131	68
FFO exc. coal ash spend (net of tax)	**$ 1,540**	**$ 1,546**	**$ 1,425**
Notes payable to affiliated companies	$ -	$ -	$ 209
Current maturities of long-term debt	-	452	2
Long-term debt	-	6,409	6,366
Long-term debt payable to affiliated companies	-	150	150
Total Debt	**$ 7,366**	**$ 7,011**	**$ 6,727**
FFO / Debt	**21%**	**22%**	**21%**
(1) Working capital detail, excluding mark-to-market			
Receivables	$ (38)	$ (17)	$ 43
Receivables from affiliated companies	-	11	(6)
Inventory	45	12	(50)
Other current assets	(40)	84	185
Accounts payable	13	171	(65)
Accounts payable to affiliated companies	-	37	70
Taxes accrued	(80)	90	(34)
Other current liabilities	(6)	114	76
	$ (106)	$ 502	$ 219

FFO to Debt Calculation
Duke Energy Florida
(in millions)

	Years Ended December 31,		
	2017 Forecast	**2016 Actual**	**2015 Actual**
Cash From Operations	$ 1,155	$ 844	$ 1,373
Working capital adjustment (1)	3	252	(159)
Capitalized Interest	(27)	(14)	(4)
CR3 securitization adjustment	(55)	(35)	-
Other	14	13	12
Funds From Operations	1,090	1,060	1,222
ARO spend	-	58	47
ARO spend, net of tax at 38%	-	36	29
FFO exc. coal ash spend (net of tax)	**$ 1,090**	**$ 1,096**	**$ 1,251**
Notes payable to affiliated companies	$ -	$ 297	$ 813
Current maturities of long-term debt	-	326	13
Long-term debt	-	5,799	4,253
CR3 securitization	-	(1,279)	-
Total Debt	**$ 5,493**	**$ 5,143**	**$ 5,079**
FFO / Debt	**20%**	**21%**	**25%**

(1) Working capital detail, excluding mark-to-market

Receivables	$ (19)	$ 23	$ 61
Receivables from affiliated companies	-	21	(44)
Inventory	-	23	(17)
Other current assets	14	(133)	116
Accounts payable	(15)	71	(127)
Accounts payable to affiliated companies	-	9	46
Taxes accrued	18	(117)	67
Other current liabilities	(1)	(149)	57
	$ (3)	$ (252)	$ 159

FFO to Debt Calculation
Duke Energy Indiana
(in millions)

	Years Ended December 31,		
	2017 Forecast	**2016 Actual**	**2015 Actual**
Cash From Operations	$ 1,065	$ 871	$ 1,176
Working capital adjustment (1)	(78)	132	(225)
Capitalized Interest	(15)	(7)	(6)
Funds From Operations	972	996	945
ARO spend	-	46	19
ARO spend, net of tax at 38%	47	29	12
FFO exc. coal ash spend (net of tax)	**$ 1,019**	**$ 1,025**	**$ 957**
Current maturities of long-term debt	$ -	$ 3	$ 547
Long-term debt	-	3,633	3,071
Long-term debt payable to affiliated companies	-	150	150
CRC allocated balance	-	174	174
Total Debt	**$ 3,908**	**$ 3,960**	**$ 3,942**
FFO / Debt	**26%**	**26%**	**24%**
(1) Working capital detail, excluding mark-to-market			
Receivables	$ (25)	$ (2)	$ (7)
Receivables from affiliated companies	-	(43)	44
Inventory	92	66	(21)
Other current assets	-	(67)	90
Accounts payable	22	8	33
Accounts payable to affiliated companies	-	(9)	25
Taxes accrued	(5)	(4)	35
Other current liabilities	(6)	(81)	26
	$ 78	$ (132)	$ 225

FFO to Debt Calculation
Duke Energy Ohio
(in millions)

	Years Ended December 31,		
	2017 Forecast	**2016 Actual**	**2015 Actual**
Cash From Operations	$ 425	$ 425	$ 667
Working capital adjustment (1)	73	15	(91)
Capitalized Interest	(9)	(8)	(10)
Funds From Operations	489	432	566
ARO spend	-	5	4
ARO spend, net of tax at 38%	8	3	2
FFO exc. coal ash spend (net of tax)	**$ 497**	**$ 435**	**$ 568**
Notes payable to affiliated companies	$ -	$ 16	$ 103
Current maturities of long-term debt	-	1	106
Long-term debt	-	1,858	1,467
Long-term debt payable to affiliated companies	-	25	25
CRC allocated balance	-	151	151
Total Debt	**$ 2,250**	**$ 2,051**	**$ 1,852**
FFO / Debt	**22%**	**21%**	**31%**

(1) Working capital detail, excluding mark-to-market

Receivables	$ (62)	$ (4)	$ 23
Receivables from affiliated companies	-	(36)	23
Inventory	-	(32)	-
Other current assets	-	79	-
Accounts payable	(5)	19	(1)
Accounts payable to affiliated companies	-	10	(21)
Taxes accrued	(6)	3	(21)
Other current liabilities	-	(54)	88
	$ (73)	$ (15)	$ 91

FFO to Debt Calculation
Piedmont Natural Gas
(in millions)

	Years Ended		
	December 31, 2017 Forecast	**October 31, 2016 Actual**	**2015 Actual**
Cash From Operations	$ 405	$ 308	$ 372
Working capital adjustment (1)	94	101	(37)
Funds From Operations	499	409	335
ARO spend	-	6	6
ARO spend, net of tax at 38%	-	4	4
FFO exc. coal ash spend (net of tax)	**$ 499**	**$ 413**	**$ 339**
Notes payable	$ -	$ 145	$ 340
Current maturities of long-term debt	-	35	40
Long-term debt	-	1,786	1,524
Total Debt	**$ 2,548**	**$ 1,966**	**$ 1,904**
FFO / Debt	**20%**	**21%**	**18%**

(1) Working capital detail, excluding mark-to-market

Receivables	$ -	$ 7	$ (3)
Receivables from affiliated companies	-	(7)	-
Inventory	-	14	16
Other current assets	-	(99)	46
Accounts payable	(3)	6	(5)
Accounts payable to affiliated companies	-	6	-
Taxes accrued	(87)	(14)	4
Other current liabilities	(4)	(14)	(21)
	$ (94)	$ (101)	$ 37