



THIRD QUARTER EARNINGS REVIEW AND **BUSINESS UPDATE**



Nov. 3, 2017

PRESENTED BY:
LYNN GOOD | CHAIRMAN, PRESIDENT AND CEO
STEVE YOUNG | EXECUTIVE VP AND CFO

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/.



INVESTING IN **INFRASTRUCTURE**
OUR **CUSTOMERS** VALUE.

DELIVERING SUSTAINABLE
GROWTH.

BUSINESS UPDATE

Lynn Good, Chairman, President & CEO

- Third quarter 2017 update
- Update on key regulatory activity
- Making progress on strategic investments

FINANCIAL UPDATE

Steve Young, Executive VP & CFO

- Third quarter 2017 earnings drivers
- Economic conditions and load growth trends
- Key investor considerations

\$1.36

**REPORTED DILUTED EPS
FOR 3Q 2017
COMPARED TO
\$1.70 IN 3Q 2016**

\$1.59

**ADJUSTED DILUTED EPS
FOR 3Q 2017
COMPARED TO
\$1.68 IN 3Q 2016**

\$4.50 - \$4.60

**NARROWING 2017 EPS
GUIDANCE RANGE⁽¹⁾**

**DRIVEN BY WEATHER,
INCLUDING HURRICANE IRMA**

THIRD QUARTER FINANCIAL HIGHLIGHTS

- Earnings guidance narrowed to lower half of original 2017 EPS guidance range⁽¹⁾ due to weather, including Hurricane Irma
- Flexible cost management efforts expected to enable company to achieve 2017 financial commitments
- Continue to expect 4-6% growth through 2021 off of midpoint of original 2017 EPS guidance range⁽¹⁾ of \$4.50 to \$4.70



THIRD QUARTER OPERATIONAL HIGHLIGHTS

- Restored power in just over a week to 1.5 million customers impacted by Hurricane Irma
- Duke Energy named to the Dow Jones Sustainability Index (DJSI) for 12th consecutive year
- Duke Energy recognized in Site Selection magazine's list of "Top Utilities in Economic Development" for 13th consecutive year



(1) Based on adjusted diluted EPS



ENGAGE
STAKEHOLDERS

**DUKE ENERGY
FLORIDA
SETTLEMENT
APPROVED
OCT. 25, 2017**

**RATE CLARITY
THROUGH 2021
WITH AGREED UPON
RATE INCREASES AND
SOLAR GENERATION BASE
RATE ADJUSTMENT**

MAJOR PROVISIONS OF THE SETTLEMENT

Base Rate Adjustments

- Base rate increases of \$67 million per year 2019-2021, primarily to recover \$1 billion investments in grid modernization
- Solar Generation Base Rate Adjustment: DEF has opportunity to recover 700 MW of solar 2019-2021, with base rate adjustment at in-service at 10.5% ROE
- Earned ROE band of 9.5% to 11.5%

Levy Nuclear Project

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



COMMISSION APPROVAL

- Signatories to the agreement include all key intervenors
- Florida Public Service Commission unanimously approved the agreement on Oct. 25, 2017

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



ENGAGE
STAKEHOLDERS

**DUKE ENERGY
PROGRESS**

REBUTTAL TESTIMONY

DUE NOV. 6, 2017

HEARINGS BEGIN

NOV. 20, 2017

**DUKE ENERGY
CAROLINAS**

INTERVENOR TESTIMONY

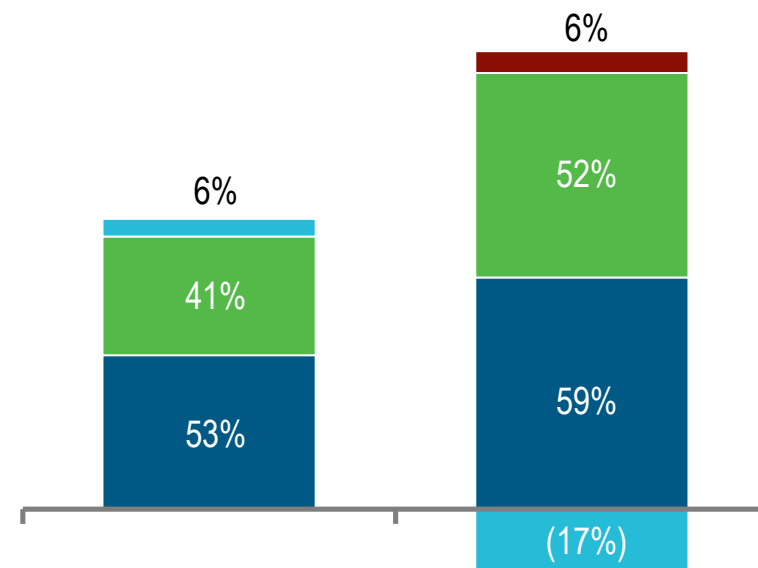
DUE JAN. 19, 2018

HEARINGS BEGIN

FEB. 19, 2018

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

- Significant plant additions and changes
- Coal ash basin closure costs⁽²⁾
- All other changes to rate base, operating costs, and operating revenues⁽³⁾
- Grid reliability and resiliency rider

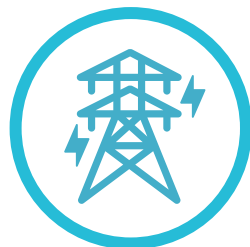


(1) As of Dec. 31, 2016 and adjusted for known and measurable changes through Aug. 2017 (DEP) and Nov. 2017 (DEC)

(2) 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)

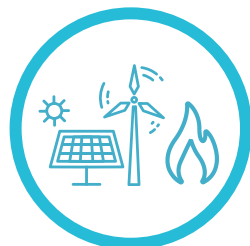
(3) Driven largely by a return of deferred tax liability due to NC state tax rate change. DEP offset by 2016 Hurricane Matthew storm cost recovery

STATUS UPDATE



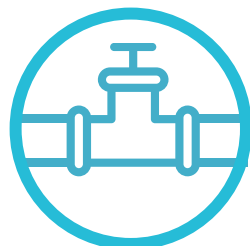
MODERNIZE THE
ENERGY GRID

- Announced \$3 billion, 10-year Power/Forward Carolinas initiative in South Carolina
- New battery storage projects announced in North Carolina and Indiana



GENERATE
CLEANER ENERGY

- W.S. Lee CCGT, Citrus County CCGT and Western Carolinas Modernization Project on track
- Dual-fuel project at Belews Creek coal-fired facility will introduce natural gas firing; Piedmont to build necessary infrastructure



EXPAND **NATURAL GAS INFRASTRUCTURE**

- ACP received FERC certificate – expect to begin construction by end of year (late 2019 in-service)
 - Closed construction financing facility in October
- Sabal Trail construction complete – Supplemental EIS issued by FERC, rehearing request filed, pipeline remains in-service
- Constitution – Petition for Declaratory Order filed at FERC

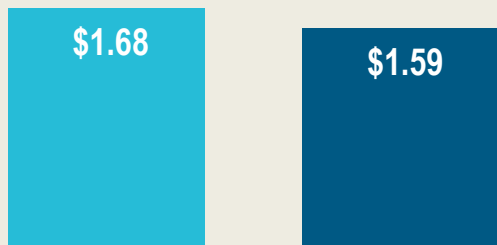


ENGAGE
STAKEHOLDERS



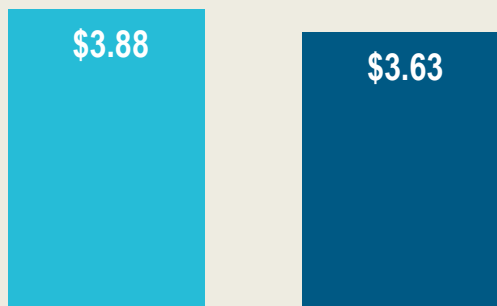
TRANSFORM THE
CUSTOMER EXPERIENCE

ADJUSTED DILUTED EARNINGS PER SHARE



3Q 2016 3Q 2017

ADJUSTED DILUTED EARNINGS PER SHARE



YTD 2016⁽³⁾ YTD 2017⁽⁴⁾

\$4.50 - \$4.60

NARROWING 2017 EPS GUIDANCE RANGE⁽⁵⁾

DRIVEN BY WEATHER,
INCLUDING HURRICANE IRMA

SEGMENT RESULTS VS. PRIOR YEAR QUARTER⁽¹⁾⁽²⁾

Electric Utilities & Infrastructure, **-\$85 M (-\$0.12 per share)**

- ▼ Less favorable weather (-\$0.14), including lost revenue impacts from Hurricane Irma
- ▼ Higher depreciation
- ▲ Higher retail revenues from increased pricing and riders

Gas Utilities & Infrastructure, **+\$4 M (+\$0.01 per share)**

- ▲ Increased investments in Atlantic Coast pipeline

Commercial Renewables, **-\$14 M (-\$0.02 per share)**

- ▼ Lower solar investment tax credits and higher interest expense

Other, **+\$97 M (+\$0.14 per share)**

- ▲ Lower income tax expense primarily due to unfavorable tax adjustments in the prior year and current period tax planning
- ▲ Favorable results from captive insurer and litigation settlement
- ▼ Higher interest expense related to Piedmont financing

Share Dilution **(-\$0.02 per share)**

PREVIOUSLY DISPOSED BUSINESS

International Energy, **-\$55 M (-\$0.08 per share)**

(1) Detailed drivers of adjusted segment income (expense) are available in the 3Q 2017 earnings release located on our Investor Relations website at www.duke-energy.com/investors/

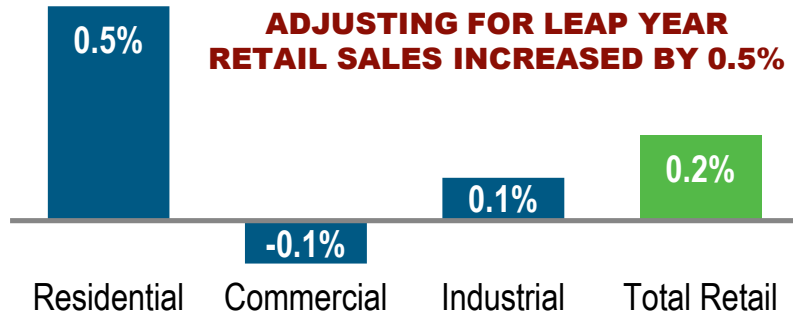
(2) Prior year segment income recast to conform to the new segment structure

(3) Includes \$0.20 favorable weather to normal in Electric Utilities and Infrastructure and \$0.29 contribution from International Energy, sold in 2016

(4) Includes \$0.14 unfavorable weather to normal in Electric Utilities and Infrastructure, \$0.01 unfavorable weather to normal in Gas Utilities and Infrastructure related to Midwest LDCs and contribution of \$0.02 from Piedmont Natural Gas net of acquisition financing costs

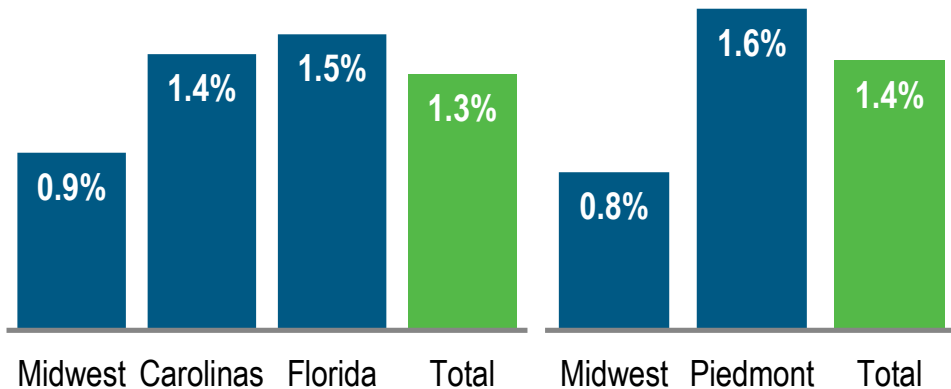
(5) Based on adjusted diluted EPS

Rolling 12 Month Retail Electric Volume Growth

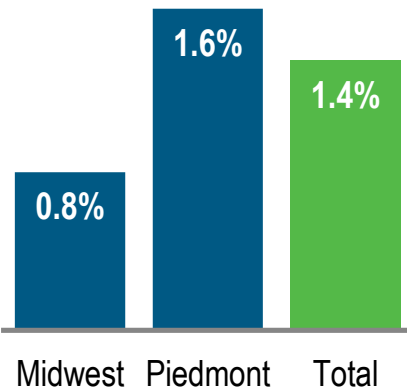


Annual Growth in Number of Residential Customers

Electric Utilities



Gas Utilities



Volume growth driven by attractive regions with strong customer growth, partially offset by utility-sponsored energy efficiency programs on which we earn a return

RESIDENTIAL

- Continued population migration into the Southeast drives volume growth for electric and gas utilities
 - Partially offset by lower energy usage per customer in electric utilities
- Single-family housing continues to outpace multi-family housing starts; Florida, North and South Carolina are in the top 7 states for new single-family housing permits

COMMERCIAL

- The active hurricane season has caused temporary business interruptions, primarily in hotels and restaurants
- Office vacancies continue to decline even as new office space is being added

INDUSTRIAL

- Manufacturing companies are expecting growth in sales, investment, and employment according to a recent survey conducted by the National Association of Manufacturers

DUK
LISTED
NYSE

A SOLID LONG-TERM HOLDING



SUPPORTED BY THE STRENGTH OF OUR BALANCE SHEET

(1) As of Oct. 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 original 2017 guidance range of \$4.50-\$4.70

INVESTING IN **INFRASTRUCTURE** OUR **CUSTOMERS** VALUE.
DELIVERING SUSTAINABLE **GROWTH.**



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Update on Key 2017 Assumptions

Key 2017 adjusted earnings guidance assumptions



(\$ in millions)	Original 2017 assumptions ⁽¹⁾	2017 YTD (thru 9/30/2017)
Adjusted segment income/(expense) ⁽²⁾:		
Electric Utilities & Infrastructure	\$3,109	\$2,468
Gas Utilities & Infrastructure	\$282	\$179
Commercial Renewables	\$99	\$58
Other ⁽³⁾	(\$268)	(\$162)
Duke Energy Consolidated	\$3,222	\$2,543
Additional consolidated information:		
Interest expense	\$1,974	\$1,475
Adjusted effective tax rate	32-33%	31%
Debt AFUDC and capitalized interest	\$124	\$97
AFUDC equity	\$278	\$175
Capital expenditures ⁽⁴⁾⁽⁵⁾	\$9,425	\$6,588
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 the midpoint of original adjusted diluted EPS guidance range of \$4.50 to \$4.70

(3) In October 2017, Duke Energy's economic ownership in NMC decreased from 25 percent to 17.5 percent

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

(5) Includes coal ash closure spend of \$377 million in 2017 YTD that was included in operating cash flows

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 ⁽¹⁾	+/- \$0.08
Other	\$10/barrel change in Brent crude oil prices	+/- \$0.01 - 0.02

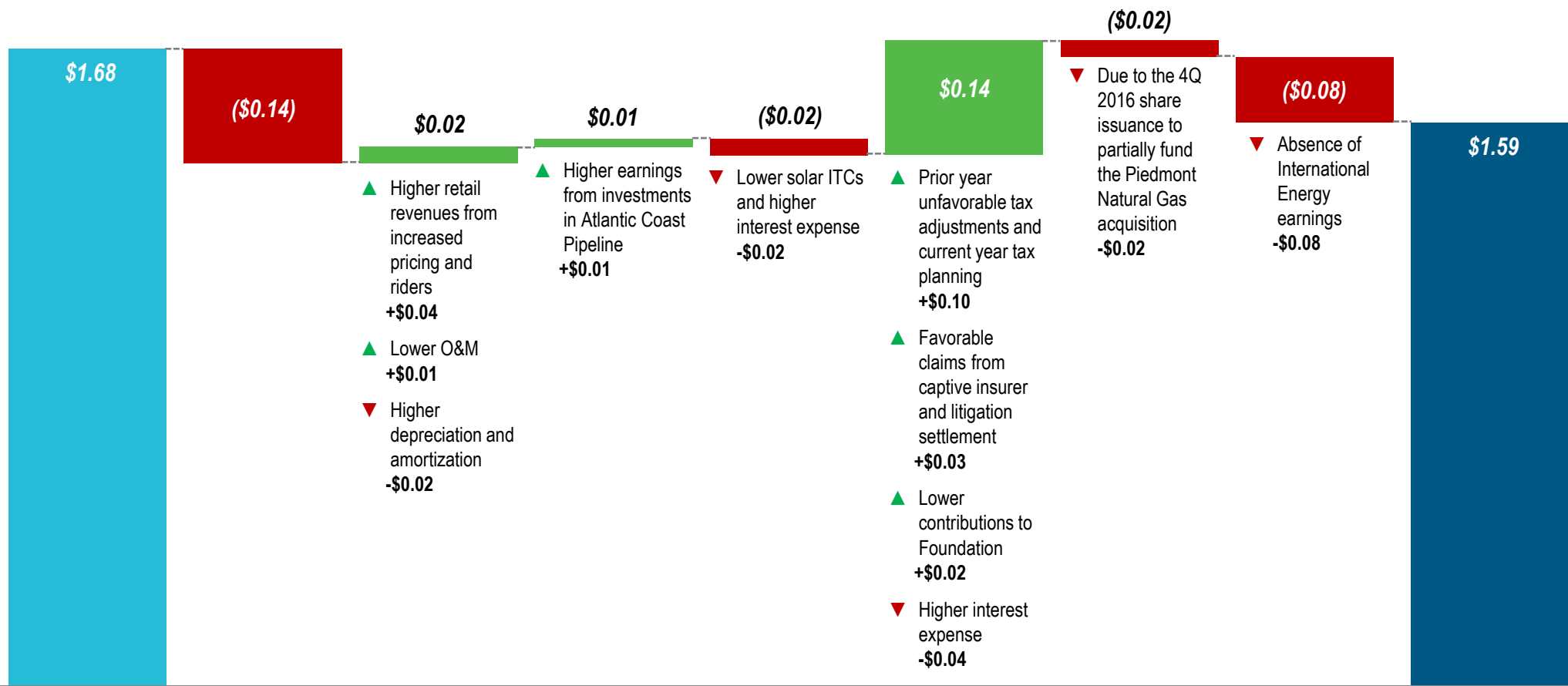
Note: EPS amounts based on forecasted 2017 share count of ~700 million shares

(1) Based on average variable-rate debt outstanding throughout the year

3Q 2017 Supplemental Data

3Q 2016 – 3Q 2017 adjusted diluted EPS waterfall

3Q 2017 Weather Impact	Electric Utilities & Infrastructure	Gas Utilities & Infrastructure	Commercial Renewables	Other ⁽¹⁾	Change in Share Count	Previously Disposed Business
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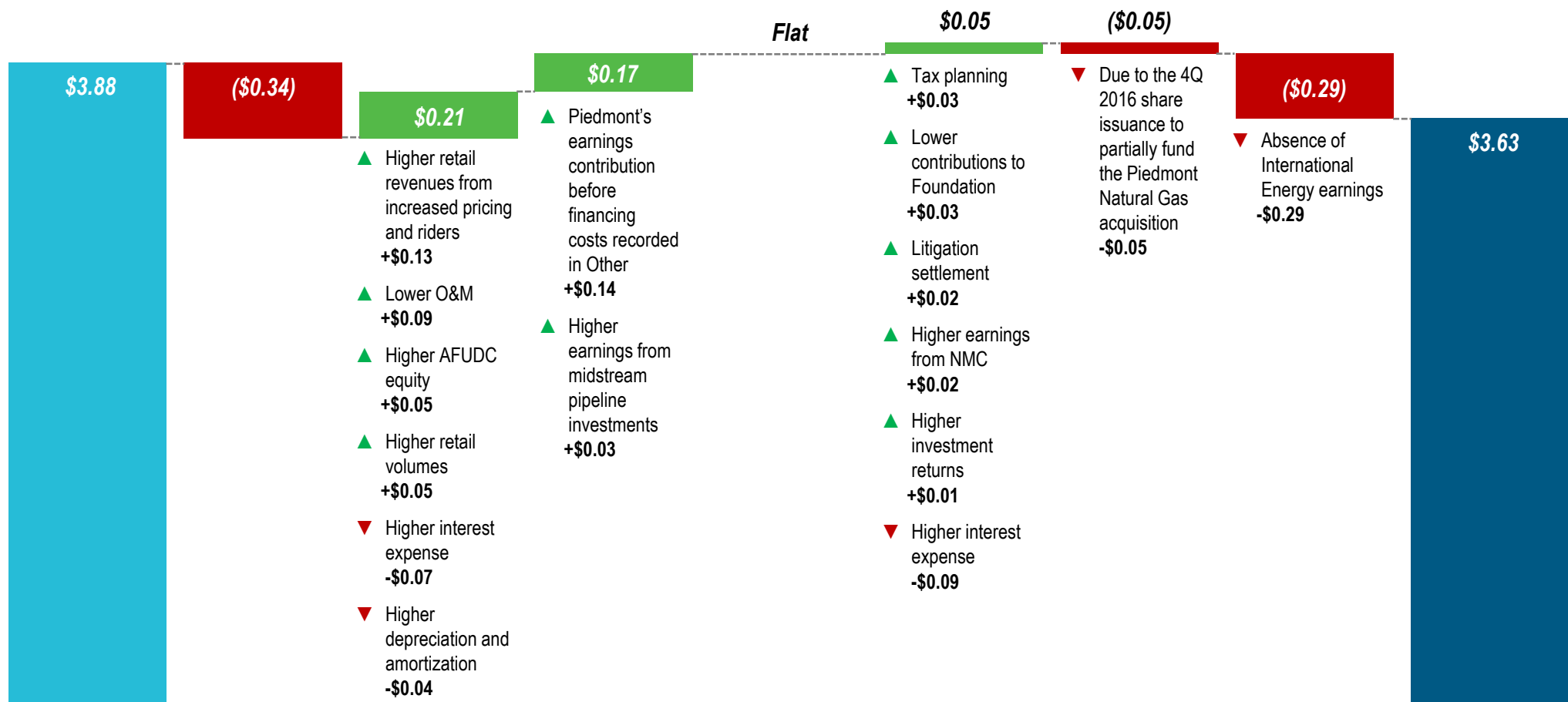


3Q 2016 Adjusted EPS

3Q 2017 Adjusted EPS

(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

YTD 2016 – YTD 2017 adjusted diluted EPS waterfall



YTD 2016 Adjusted EPS

YTD 2017 Adjusted EPS

(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

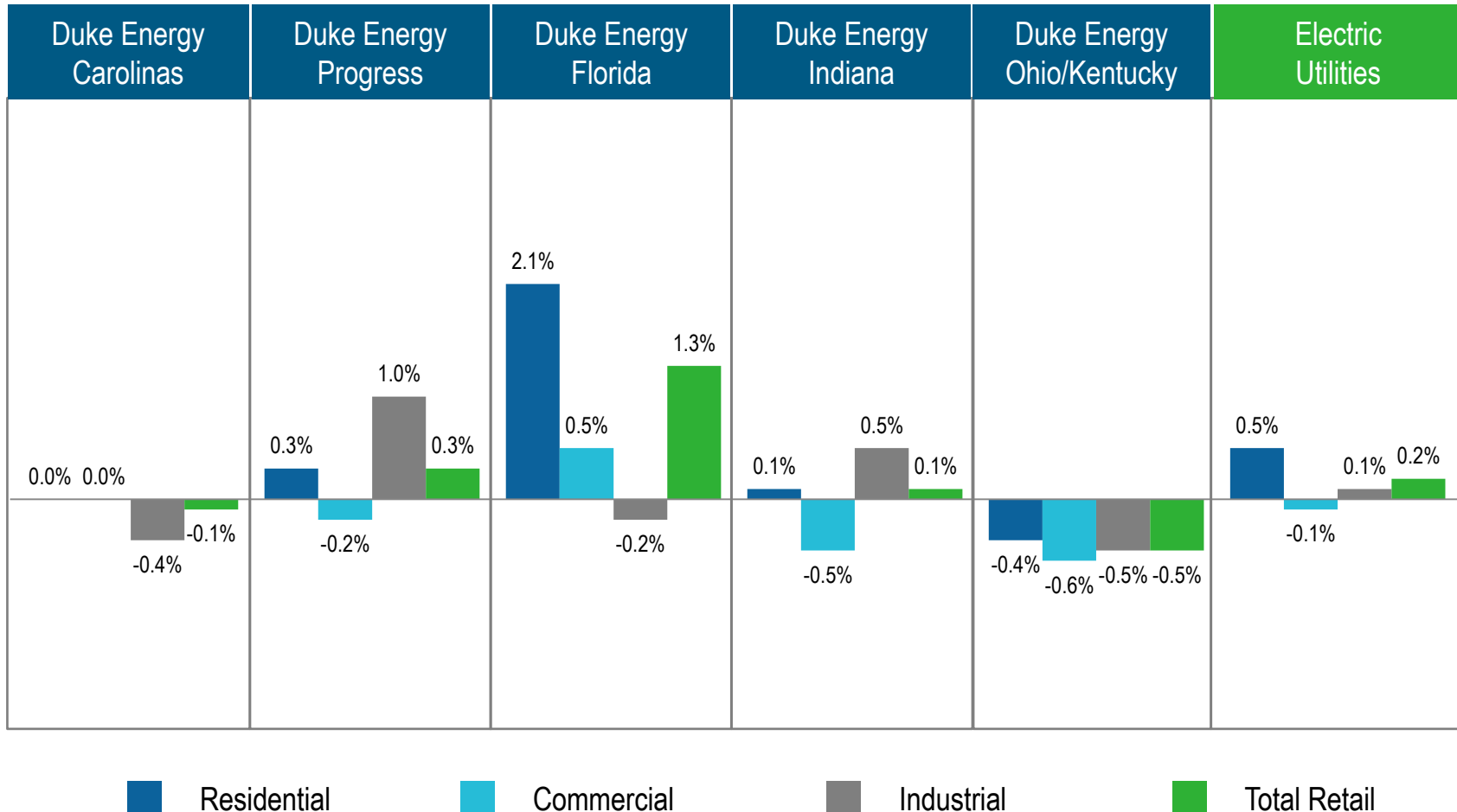
Weather segment income to normal:	2017			2016		
	Pretax impact	Weighted avg. diluted shares	EPS impact – favorable / (unfavorable)	Pretax impact	Weighted avg. shares	EPS impact – favorable / (unfavorable)
First Quarter	(\$175)	700	(\$0.15)	(\$10)	689	(\$0.01)
Second Quarter	(\$5)	700	(\$0.01)	\$40	690	\$0.04
Third Quarter	\$20 ⁽¹⁾	700	\$0.02	\$190	691	\$0.17
Fourth Quarter				(\$70)	699	(\$0.06)
Year-to-Date ⁽²⁾	(\$160)	700	(\$0.14)	\$150	691	\$0.14

3Q 2016	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY	
Heating degree days / Variance from normal	--	(100.0%)	--	(100.0%)	--	--	21	(69.1%)	24	(60.0%)
Cooling degree days / Variance from normal	1,301	33.6%	1,343	28.5%	1,598	8.0%	932	26.5%	973	29.9%
3Q 2017	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY	
Heating degree days / Variance from normal	11	(29.9%)	2	(80.1%)	--	--	39	(41.4%)	46	(19.4%)
Cooling degree days / Variance from normal	1,012	2.9%	1,124	6.7%	1,552	4.8%	733	(1.0%)	700	(6.6%)

(1) Includes an unfavorable ~\$20 million or \$0.02/share impact from Hurricane Irma.

(2) Year-to-date amounts may not foot due to differences in weighted average shares outstanding and/or rounding

Rolling Twelve Months, as of Sept. 30, 2017



ADJUSTING FOR LEAP YEAR RETAIL SALES INCREASED BY 0.5%

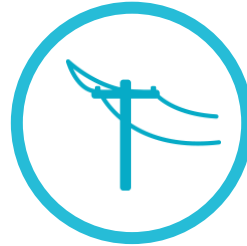
	Pre-Filing Notice	Filed Rate Case	Intervenor Testimony	Duke Rebuttal Testimony	Evidentiary Hearings Begin	Notes
DEP NC	May 2, 2017	June 1, 2017	Oct. 20, 2017	Nov. 6, 2017	Nov. 20, 2017	<ul style="list-style-type: none"> • Docket: E-2 Sub 1142 • Base rate case • Rates effective Feb. 1, 2018, if approved
DEC NC	July 25, 2017	Aug. 25, 2017	Jan. 19, 2018	Feb. 2, 2018	Feb. 19, 2018	<ul style="list-style-type: none"> • Docket: E-7 Sub 1146 • Base rate Case • Rates effective May 1, 2018, if approved
DEO	Jan. 31, 2017	March 2, 2017	Sept. 26, 2017	Oct. 26, 2017	Dec. 11, 2017	<ul style="list-style-type: none"> • Docket: Case No. 17-32-EL-AIR • Distribution rate case • The filing will consolidate recovery from certain existing capital riders into base rates
DEK	Aug. 2, 2017	Sept. 15, 2017	Dec. 29, 2017	Feb. 14, 2018	TBD	<ul style="list-style-type: none"> • Docket: Case No. 2017-00321 • Base rate Case • Rates effective April 2018, if approved



DUKE ENERGY
FLORIDA

PROUD OF OUR EMPLOYEE RESPONSE

TO ONE OF THE MOST
DEVASTATING HURRICANES
TO IMPACT OUR SERVICE
TERRITORY



1,841

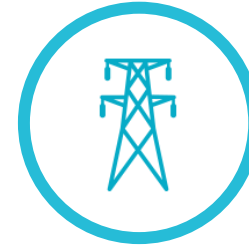
Distribution poles
replaced

178

Miles of wire
replaced

1,106

Transformers
replaced



141

Transmission
poles replaced



~1.3 million

Customers
affected

>75%

Restored in 3 days

>99%

Restored in 8 days



>12,000

Line and field
workers



2.6 million

Calls answered

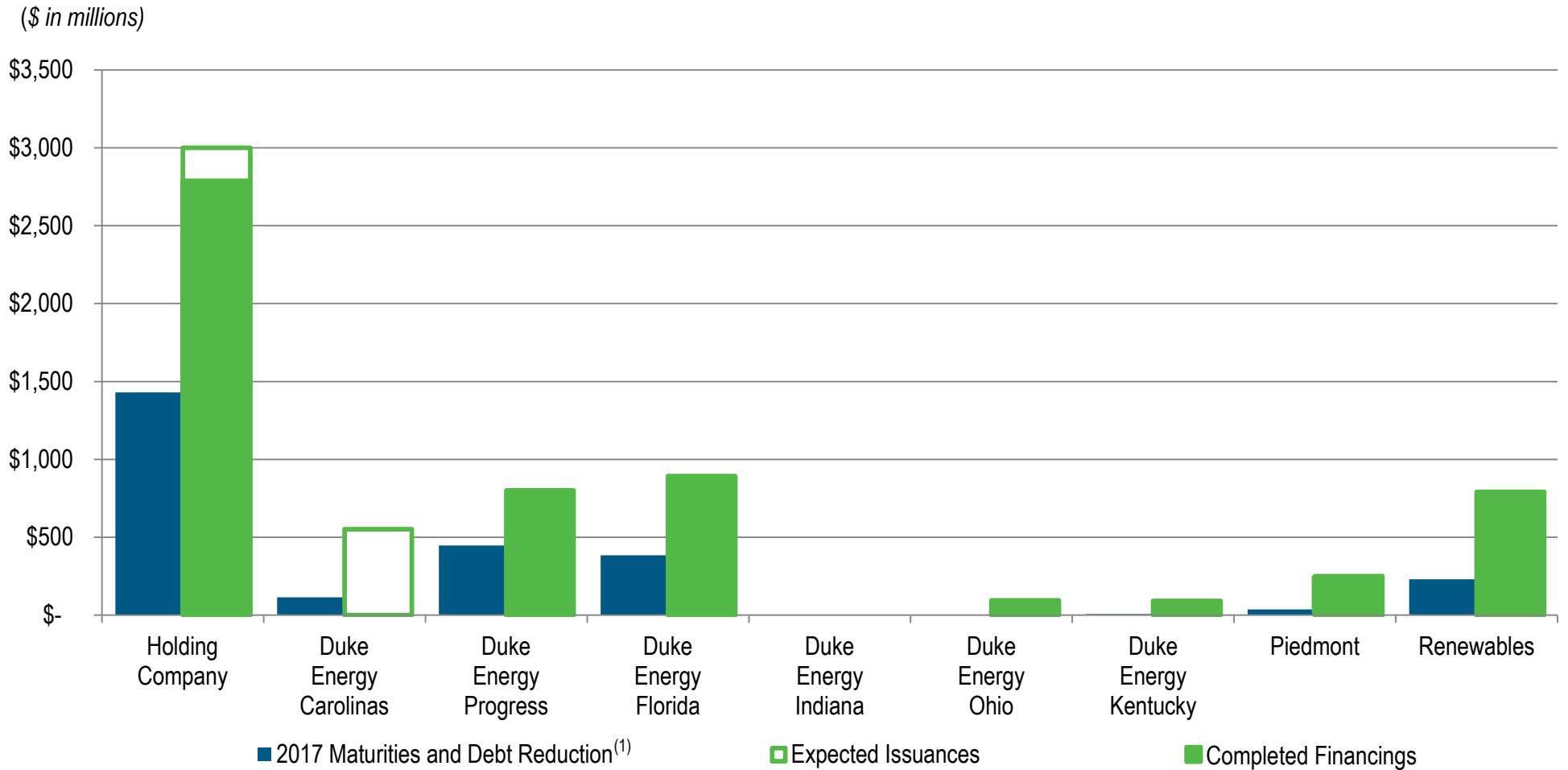


\$1 million

Relief donations

Financial Supplement

2017 financing plan (as of September 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
\$233	High Noon Solar	August 2017	BBB- ⁽²⁾	19.4 Year ⁽³⁾	Secured	Fixed – 4.11%
\$500	Holdco	August 2017	Baa1/BBB+	5 Year	Senior Notes	Fixed – 2.400%
\$750	Holdco	August 2017	Baa1/BBB+	10 Year	Senior Notes	Fixed – 3.150%
\$500	Holdco	August 2017	Baa1/BBB+	30 Year	Senior Notes	Fixed – 3.950%
\$300	DE Progress	September 2017	Aa3/A	3 Year	First Mortgage Bond	Floating
\$500	DE Progress	September 2017	Aa3/A	30 Year	First Mortgage Bond	Fixed – 3.600%
\$30	DE Kentucky	September 2017	N/A	12 Year	Debentures	Fixed – 3.35%
\$30	DE Kentucky	September 2017	N/A	30 Year	Debentures	Fixed – 4.11%
\$30	DE Kentucky	September 2017	N/A	40 Year	Debentures	Fixed – 4.26%
\$125 ⁽⁷⁾	Piedmont	September 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) First draw on \$250 million term loan

(7) Second draw on \$250 million term loan

Liquidity summary (as of September 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⁾	\$ 2,850	\$ 1,350	\$ 1,250	\$ 1,000	\$ 600	\$ 300	\$ 150	\$ 500	\$ 8,000
Less: Notes payable and commercial paper ⁽²⁾	(404)	(636)	(150)	-	(150)	-	(25)	(204)	(1,569)
Coal Ash Set-Aside	-	(250)	(250)	-	-	-	-	-	(500)
Outstanding letters of credit (LOCs)	(51)	(4)	(2)	(1)	-	-	-	(2)	(60)
Tax-exempt bonds	-	-	-	-	(81)	-	-	-	(81)
Available capacity	\$ 2,395	\$ 460	\$ 848	\$ 999	\$ 369	\$ 300	\$ 125	\$ 294	\$ 5,790
Other Credit Facilities ⁽³⁾	\$ 1,000							\$ 250	\$ 1,250
Less: Borrowings Under Credit Facilities	(270)							(250)	(520)
Available capacity	\$ 730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 730
Cash & short-term investments ⁽⁴⁾									198
Total available liquidity									\$ 6,718

(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

Other Information

Event	Date
EEI Financial Conference	November 5-7, 2017
4Q 2017 earnings call (tentative)	February 15, 2018

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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 natural 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.



For additional information on Duke Energy, please visit: www.duke-energy.com/investors

Duke Energy Corporation
Non-GAAP Reconciliations
Third Quarter Earnings Review & Business Update
November 3, 2017

Adjusted Diluted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) Third Quarter Earnings Review and Business Update on November 3, 2017, include a discussion of adjusted diluted EPS for the quarters and year-to-date periods ended September 30, 2017 and 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 represent 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 (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 quarters and year-to-date periods ended September 30, 2017 and 2016, to the most directly comparable GAAP measures are included herein.

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 Impairments represents other-than-temporary and asset impairments.
- Florida Settlement represents an impairment charge related to the Levy nuclear project based on a settlement agreement approved by regulators.

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 Third Quarter Earnings Review and Business Update on November 3, 2017, include a reference to the original forecasted 2017 adjusted diluted EPS guidance range of \$4.50 - \$4.70 per share and the narrowed forecasted 2017 adjusted diluted EPS guidance range of \$4.50 - \$4.60 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 Third Quarter Earnings Review and Business Update on November 3, 2017, include a discussion of adjusted segment income and adjusted other net expense for the quarter and year-to-date periods ended September 30, 2017 and a discussion of forecasted adjusted segment income and forecasted adjusted net expense.

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 the presentation of adjusted segment income and adjusted other net expense provides useful information to investors, as it provides an additional relevant comparison of a segment's or Other's performance across periods. When 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 measures for adjusted segment income and adjusted other net expense are 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 quarter and year-to-date periods ended September 30, 2017, to the most directly comparable GAAP measures is included herein. 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 Third Quarter Earnings Review and Business Update on November 3, 2017 include a discussion of the adjusted ETR for the quarter and year-to-date periods ended September 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 effective tax rate. A reconciliation of the adjusted ETR for the year-to-date period ended September 30, 2017 to the most directly comparable GAAP measure is included herein. 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.

Available Liquidity

The materials for Duke Energy's Third Quarter Earnings Review and Business Update on November 3, 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 amounts 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 September 30, 2017 to the most directly comparable GAAP measure is included herein.

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

	Reported Earnings	Special Items			Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Florida Settlement	Commercial Renewables Impairments			
SEGMENT INCOME (LOSS)							
Electric Utilities and Infrastructure	\$ 1,020	\$ —	\$ 84	B \$ —	\$ —	\$ 84	\$ 1,104
Gas Utilities and Infrastructure	19	—	—	—	—	—	19
Commercial Renewables	(49)	—	—	56	C —	56	7
Total Reportable Segment Income	990	—	84	56	—	140	1,130
Other	(34)	14	A —	—	—	14	(20)
Discontinued Operations	(2)	—	—	—	2	D 2	—
Net Income Attributable to Duke Energy Corporation	\$ 954	\$ 14	\$ 84	\$ 56	\$ 2	\$ 156	\$ 1,110
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.36	\$ 0.03	\$ 0.12	\$ 0.08	\$ —	\$ 0.23	\$ 1.59

A - Net of \$9 million tax benefit. \$23 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Net of \$51 million tax benefit. \$135 million recorded within Impairment charges on the Condensed Consolidated Statements of Operations.

C - Net of \$28 million tax benefit. \$74 million recorded within Impairment charges and \$10 million recorded within Other Income and Expenses 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.

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

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

	Reported Earnings	Special Items			Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Florida Settlement	Commercial Renewables Impairments			
SEGMENT INCOME							
Electric Utilities and Infrastructure	\$ 2,384	\$ —	\$ 84 B	\$ —	\$ —	\$ 84	\$ 2,468
Gas Utilities and Infrastructure	179	—	—	—	—	—	179
Commercial Renewables	2	—	—	56 C	—	56	58
Total Reportable Segment Income	2,565	—	84	56	—	140	2,705
Other	(205)	43 A	—	—	—	43	(162)
Discontinued Operations	(4)	—	—	—	4 D	4	—
Net Income Attributable to Duke Energy Corporation	\$ 2,356	\$ 43	\$ 84	\$ 56	\$ 4	\$ 187	\$ 2,543
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.36	\$ 0.06	\$ 0.12	\$ 0.08	\$ 0.01	\$ 0.27	\$ 3.63

A - Net of \$26 million tax benefit. \$68 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

B - Net of \$51 million tax benefit. \$135 million recorded within Impairment charges on the Condensed Consolidated Statements of Operations.

C - Net of \$28 million tax benefit. \$74 million recorded within Impairment charges and \$10 million recorded within Other Income and Expenses 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.

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

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

	<u>Special Items</u>							Total Adjustments	Adjusted Earnings
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	Commercial Renewables Impairment	International Energy Operations	Discontinued Operations	Total Adjustments		
SEGMENT INCOME (LOSS)									
Electric Utilities and Infrastructure	\$ 1,189	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,189
Gas Utilities and Infrastructure	15	—	—	—	—	—	—	—	15
Commercial Renewables	(24)	—	—	45 C	—	—	—	45	21
Total Reportable Segment Income	1,180	—	—	45	—	—	—	45	1,225
International Energy	—	—	—	—	55 D	—	—	55	55
Other	(181)	52 A	12 B	—	—	—	—	64	(117)
Discontinued Operations	177	—	—	—	(55) D	(122) E	—	(177)	—
Net Income Attributable to Duke Energy Corporation	\$ 1,176	\$ 52	\$ 12	\$ 45	\$ —	\$ (122)	\$ (13)	\$ 1,163	\$ 1,163
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.70	\$ 0.07	\$ 0.02	\$ 0.07	\$ —	\$ (0.18)	\$ (0.02)	\$ 1.68	\$ 1.68

A - Net of \$32 million tax benefit. Includes \$33 million recorded within Operating Expenses and \$51 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

B - Net of \$7 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed 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 Condensed Consolidated Statements of Operations.

D - Net of \$5 million tax expense. Operating results of the International Disposal Group recorded within (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

E - Tax benefit related to previously sold businesses not related to the International Disposal Group recorded within (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

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

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

	<u>Special Items</u>							Total Adjustments	Adjusted Earnings
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	Commercial Renewables Impairment	International Energy Operations	Discontinued Operations			
SEGMENT INCOME									
Electric Utilities and Infrastructure	\$ 2,557	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,557
Gas Utilities and Infrastructure	63	—	—	—	—	—	—	—	63
Commercial Renewables	13	—	—	45 C	—	—	—	45	58
Total Reportable Segment Income	2,633	—	—	45	—	—	—	45	2,678
International Energy Operations	—	—	—	—	203 D	—	—	203	203
Other	(436)	195 A	39 B	—	—	—	—	234	(202)
Discontinued Operations	182	—	—	—	(203) D	21 E	—	(182)	—
Net Income Attributable to Duke Energy Corporation	\$ 2,379	\$ 195	\$ 39	\$ 45	\$ —	\$ 21	\$ 300	\$ 2,679	
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.44	\$ 0.28	\$ 0.06	\$ 0.07	\$ —	\$ 0.03	\$ 0.44	\$ 3.88	

A - Net of \$120 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$80 million recorded within Operating Expenses and \$234 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 \$24 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Condensed 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 Condensed Consolidated Statements of Operations.

D - Net of \$1 million tax expense. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within (Loss) Income From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

E - Recorded within (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, partially offset by a tax benefit related to previously sold businesses not related to the International Disposal Group.

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

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

	<u>Three Months Ended September 30, 2017</u>		<u>Nine Months Ended September 30, 2017</u>	
	<u>Balance</u>	<u>Effective Tax Rate</u>	<u>Balance</u>	<u>Effective Tax Rate</u>
Reported Income From Continuing Operations Before Income Taxes	\$ 1,321		\$ 3,400	
Costs to Achieve Piedmont Merger	23		69	
Florida Settlement	135		135	
Commercial Renewables Impairments	84		84	
Noncontrolling Interests	(1)		(5)	
Adjusted Pretax Income	<u>\$ 1,562</u>		<u>\$ 3,683</u>	
Reported Income Tax Expense From Continuing Operations	\$ 364	27.6%	\$ 1,035	30.4%
Costs to Achieve Piedmont Merger	9		26	
Florida Settlement	51		51	
Commercial Renewables Impairments	28		28	
Adjusted Tax Expense	<u>\$ 452</u>	28.9% *	<u>\$ 1,140</u>	31.0% *
	<u>Three Months Ended September 30, 2016</u>		<u>Nine Months Ended September 30, 2016</u>	
	<u>Balance</u>	<u>Effective Tax Rate</u>	<u>Balance</u>	<u>Effective Tax Rate</u>
Reported Income From Continuing Operations Before Income Taxes	\$ 1,516		\$ 3,222	
Costs to Achieve Mergers	84		315	
Cost Savings Initiatives	19		63	
Commercial Renewables Impairment	71		71	
International Energy Operations	60		204	
Noncontrolling Interests	(2)		(5)	
Adjusted Pretax Income	<u>\$ 1,748</u>		<u>\$ 3,870</u>	
Reported Income Tax Expense From Continuing Operations	\$ 515	34.0%	\$ 1,020	31.7%
Costs to Achieve Mergers	32		120	
Cost Savings Initiatives	7		24	
Commercial Renewables Impairment	26		26	
International Energy Operations	5		1	
Adjusted Tax Expense	<u>\$ 585</u>	33.5% *	<u>\$ 1,191</u>	30.8% *

*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 September 30, 2017
(In millions)

Cash and Cash Equivalents	\$ 282	
Less: Certain Amounts Held in Foreign Jurisdictions	(7)	
Less: Unavailable Domestic Cash	<u>(77)</u>	
	198	
Plus: Remaining Availability under Master Credit Facilities and other facilities	<u>6,520</u>	
Total Available Liquidity (a)	<u><u>\$ 6,718</u></u>	approximately 6.7 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.