Fall 2017
Investor Meetings







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/.

Notes

Our investor proposition

DUK
LISTED
NYSE

A SOLID LONG-TERM HOLDING

4.0%
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 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

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

HEADQUARTERED IN CHARLOTTE, NC

DUK
LISTED
NYSE

A FORTUNE 125 COMPANY

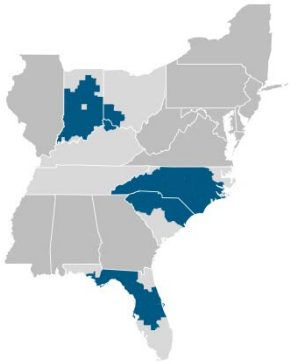
$62 B
MARKET CAP
(AS OF 10/31/2017)

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

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

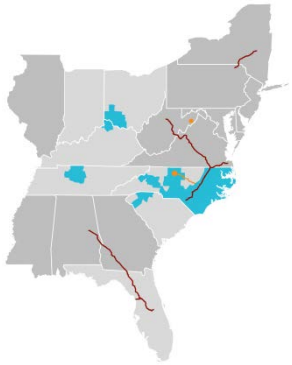
49 GWs
TOTAL GENERATING CAPACITY
(AS OF 12/31/2016)

ELECTRIC UTILITIES & INFRASTRUCTURE



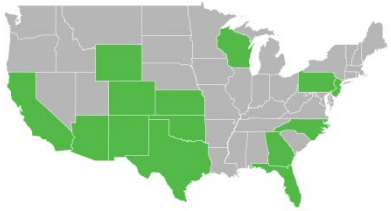
- Operating in six constructive jurisdictions, with attractive allowed ROEs, serving 7.5 million retail customers
- Below average customer rates(1)
- Balanced generation portfolio
- Industry-leading safety performance, as recognized by EEI

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

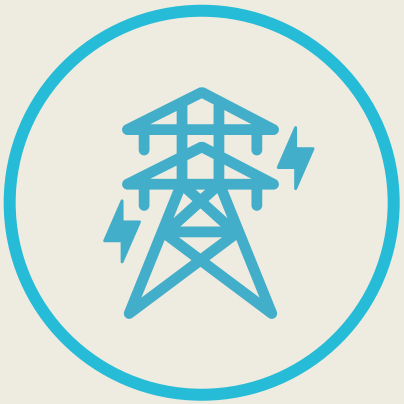


- Invested more than $5 billion over the past 10 years
- Approximately 3 GWs of wind and solar on-line
- Long-term Power Purchase Agreements with creditworthy counterparties

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

Advancing our strategic vision

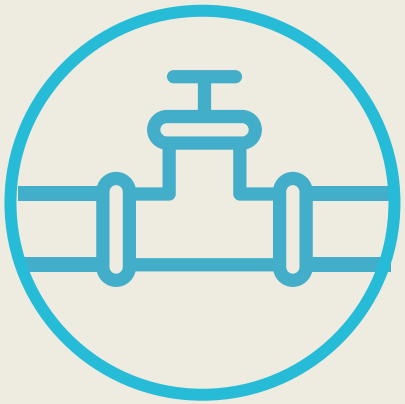
TRANSFORM THE
CUSTOMER EXPERIENCE



MODERNIZE THE
ENERGY GRID



GENERATE
CLEANER ENERGY

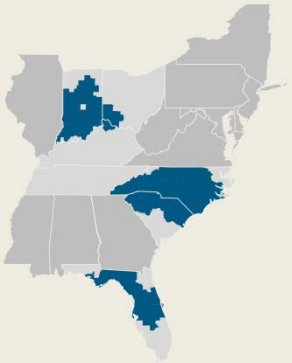


EXPAND NATURAL GAS
INFRASTRUCTURE

ENGAGE
STAKEHOLDERS

Complementary businesses with strong growth opportunities

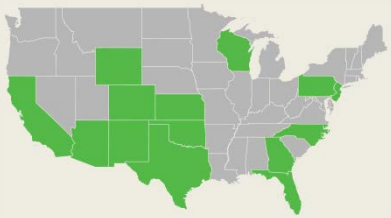
ELECTRIC UTILITIES & INFRASTRUCTURE



GAS UTILITIES & INFRASTRUCTURE

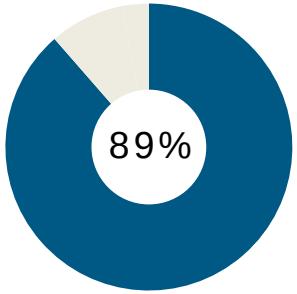


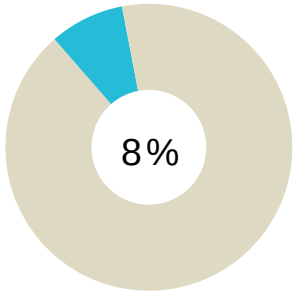
COMMERCIAL RENEWABLES

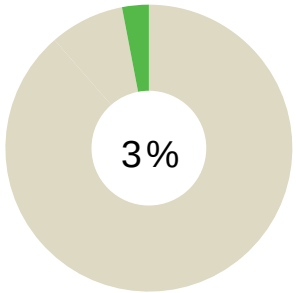


Map credit: SNL

2017 ADJUSTED EPS CONTRIBUTION(1)







2017-2021 GROWTH CAPITAL

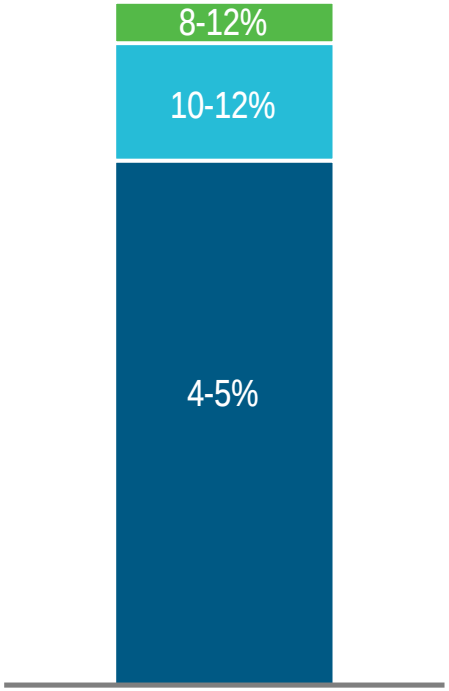
$30 B

$6 B

$1 B

2017 – 2021 ADJUSTED EPS CAGR(1)

Consolidated 4-6%



(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 Third Quarter 2017 Earnings Review and Business Update on Nov. 3, 2017; consolidated growth rate includes the impact of Other*

Constructive settlement approved in Duke Energy Florida

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

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



Proceeding with key rate activity in North Carolina

ENGAGE
STAKEHOLDERS

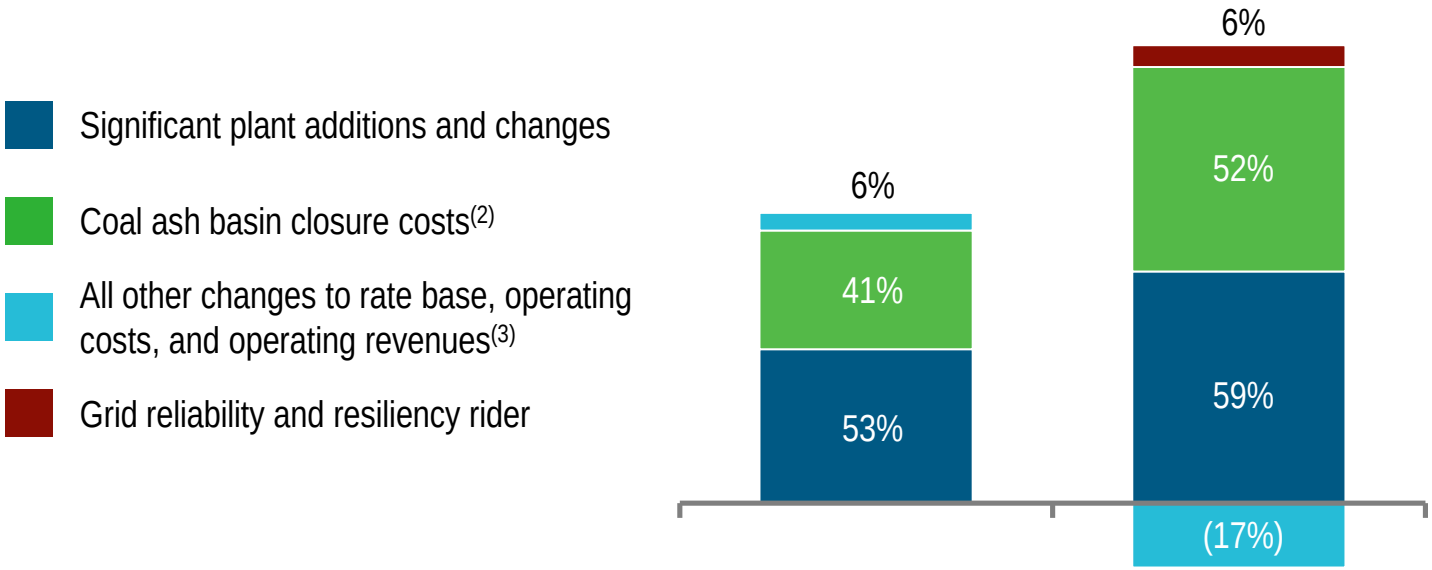
DUKE ENERGY PROGRESS

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

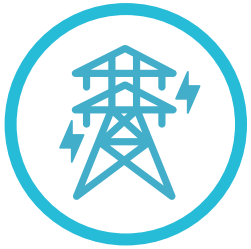
	Duke Energy Progress	Duke Energy Carolinas
Retail revenue increase requested	$477 M (+14.9%)	$647 M (+13.6%)
Return on equity requested	10.75%	
Equity component of capital structure	53%	
Proposed rate base(1)	~$8.1 B	~$13.8 B
Rates requested to be in effect, if approved	Feb. 1, 2018	May 1, 2018



(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*

Making progress on our strategic investments

ENGAGE STAKEHOLDERS



MODERNIZE THE ENERGY GRID

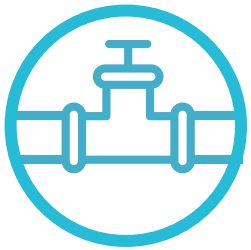
STATUS UPDATE

- 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



TRANSFORM THE CUSTOMER EXPERIENCE

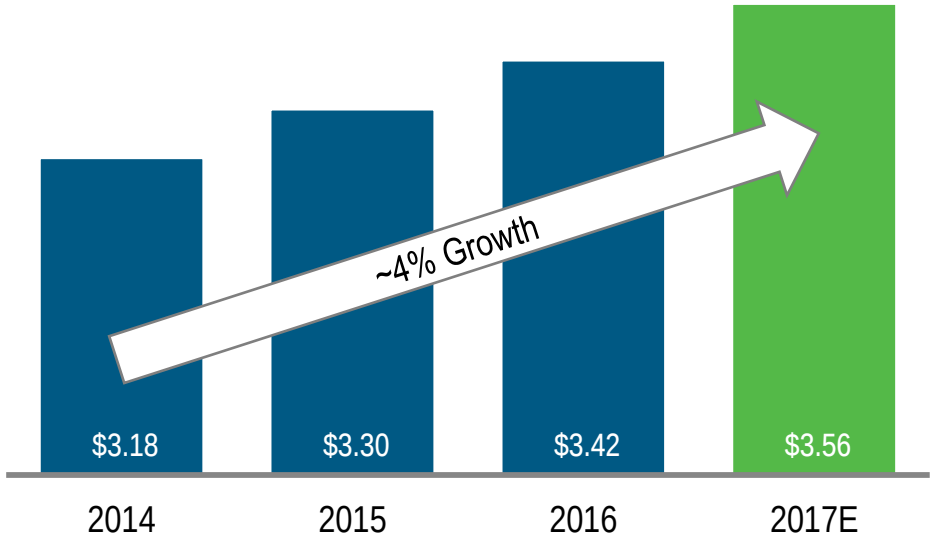
91 years of consecutive quarterly cash dividends paid

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

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

Appendix materials

Item	Slide(s)
Supplemental Information	15-26
2017 Guidance Support	27-39
Financing Assumptions	40-47
Regulatory Overview	48-52
Electric Utilities & Infrastructure Supplement	53-56
Gas Utilities & Infrastructure Supplement	57-59
Commercial Renewables Supplement	60-62
Investor Relations Contact Information	63

Supplemental Information

Consolidated financial plan underpinned by significant growth capital

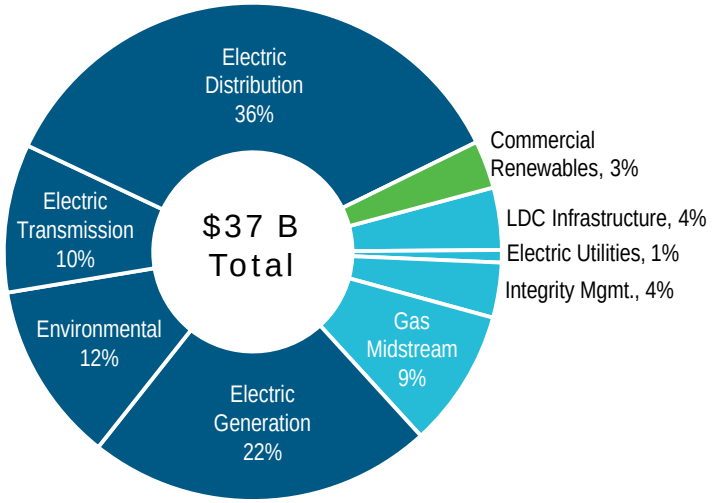
4 - 6%

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

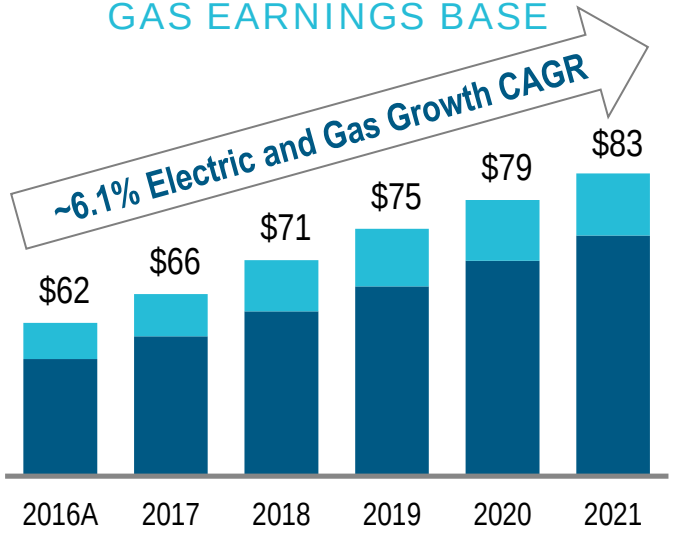
$37 B

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

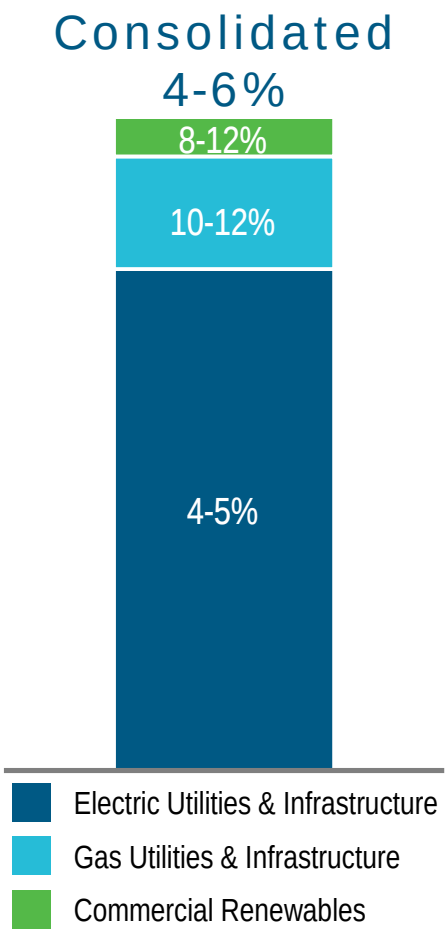
2017 - 2021 BALANCED GROWTH CAPITAL PLAN[2]



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 Third Quarter 2017 Earnings Review and Business Update on Nov. 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

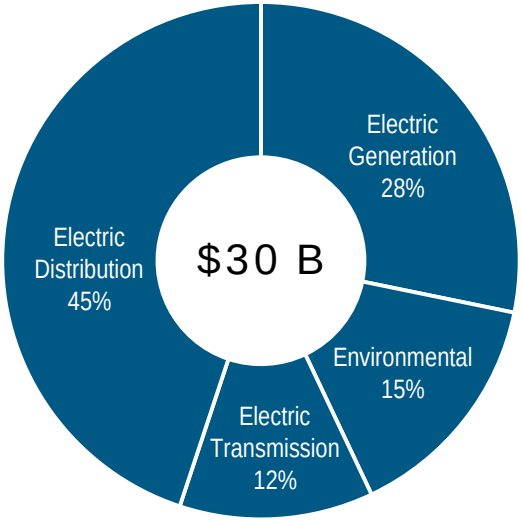
GENERATE
CLEANER ENERGY

MODERNIZE THE
ENERGY GRID

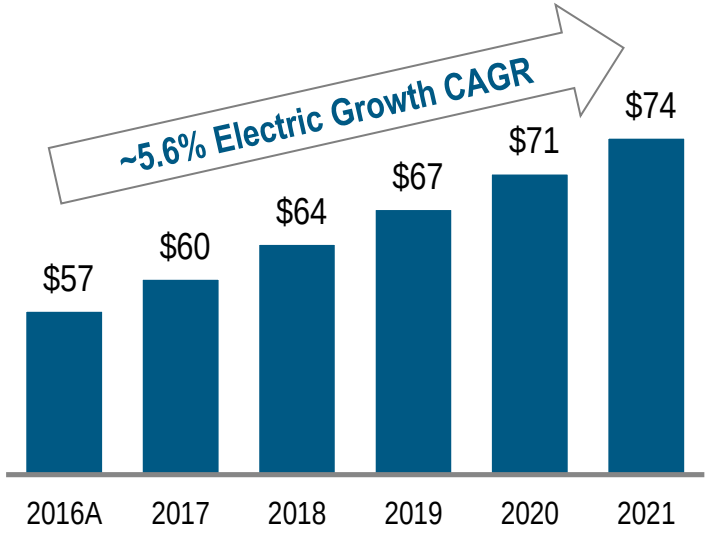
$30 B

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*

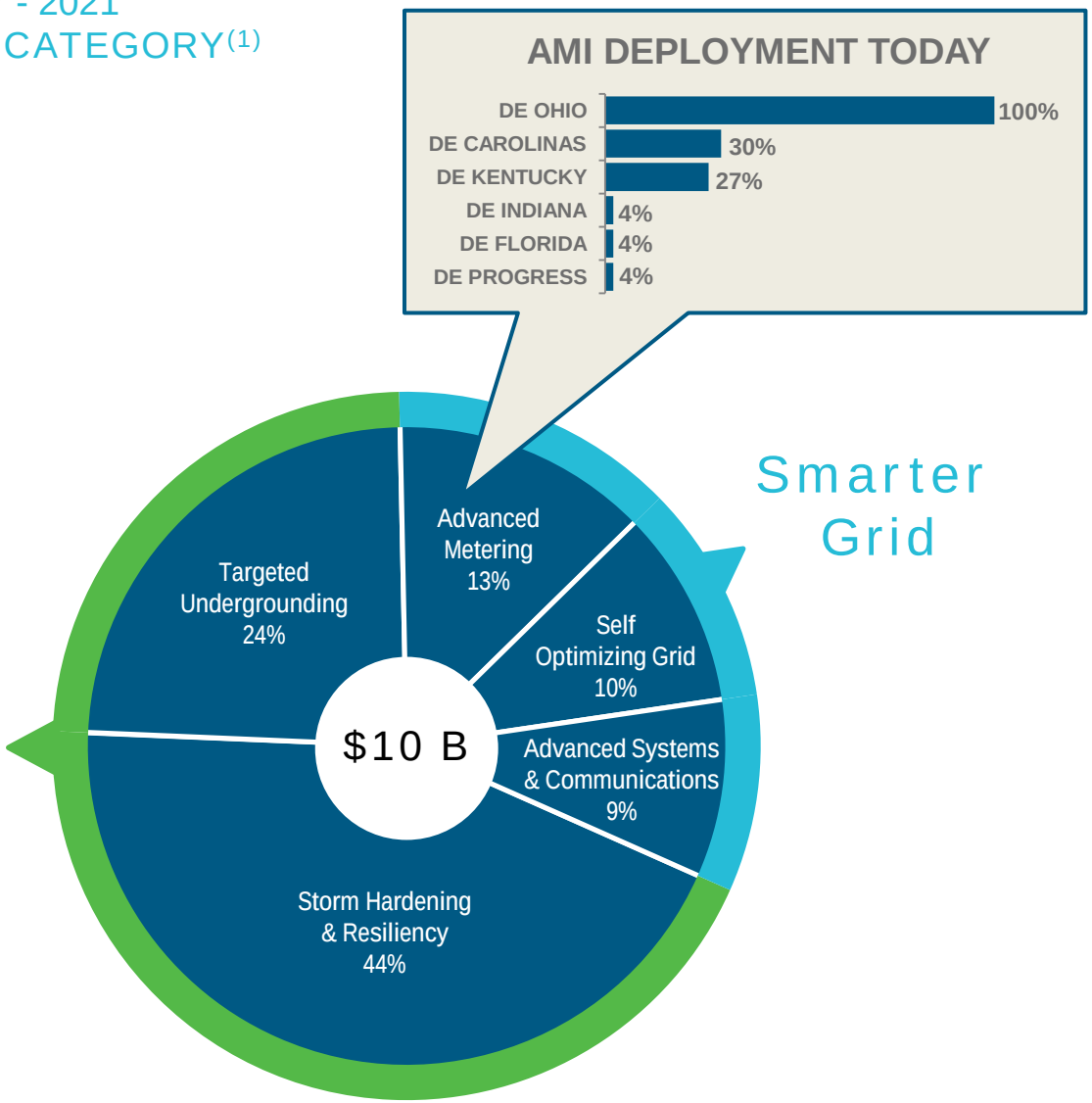
Continuing to invest in the grid, with an emerging focus on the Carolinas

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*

Investing in cleaner energy for a low-carbon future

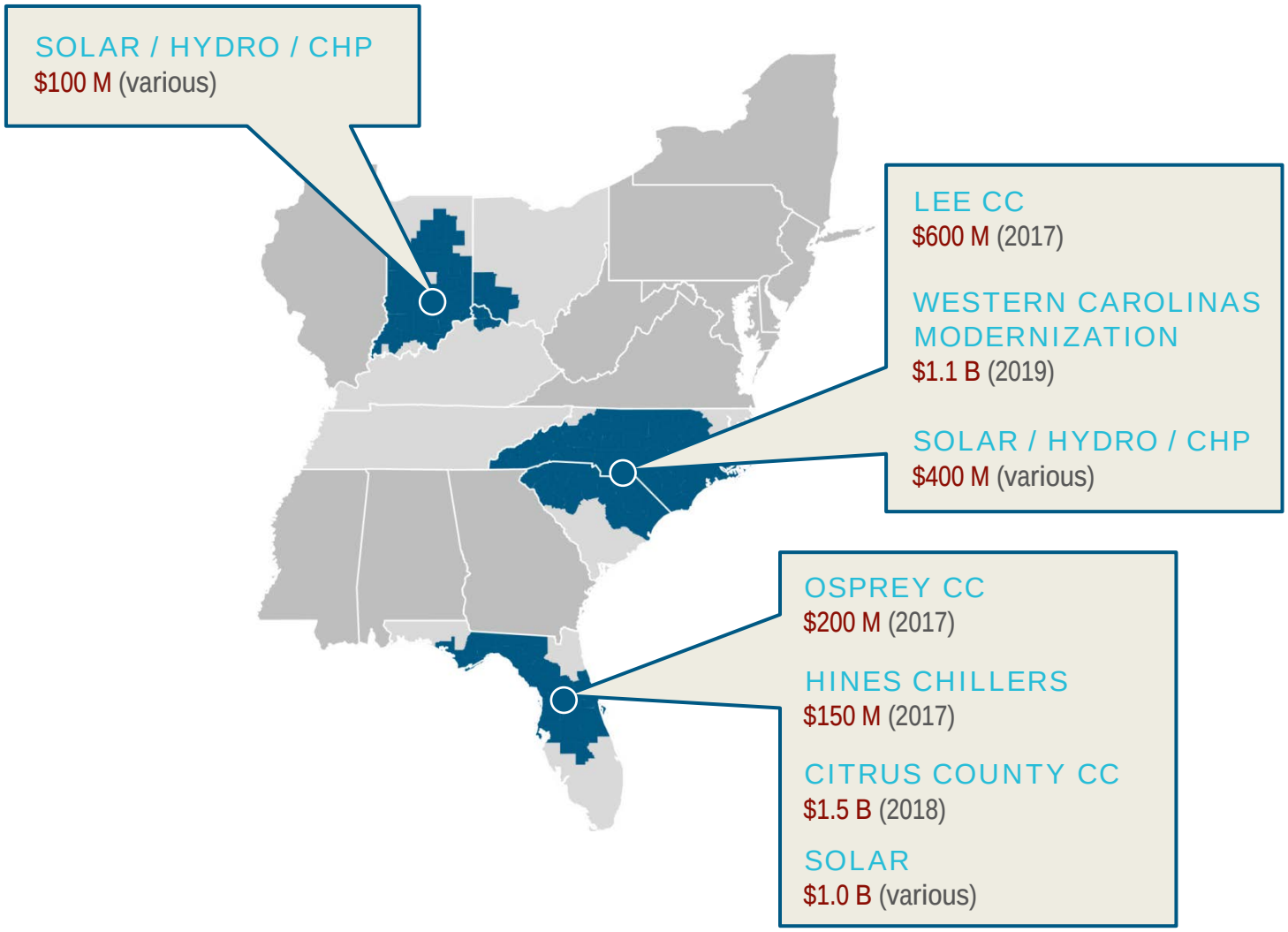
GENERATE
CLEANER ENERGY

$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.*

Scale and expertise from a decade of commercial renewables growth

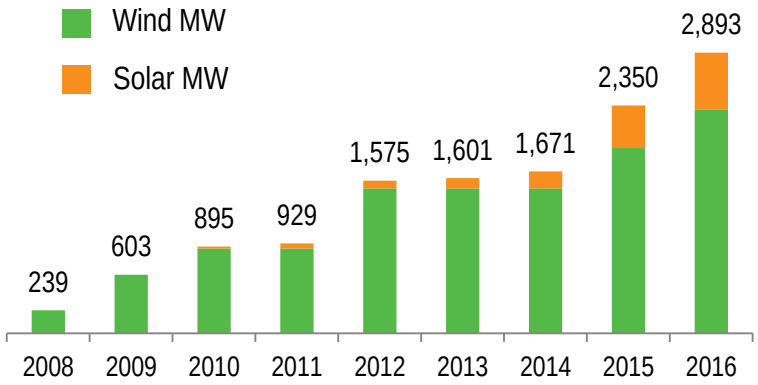
GENERATE
CLEANER ENERGY

$1 B
COMMERCIAL RENEWABLES INVESTMENTS OVER 5 YEARS(3)

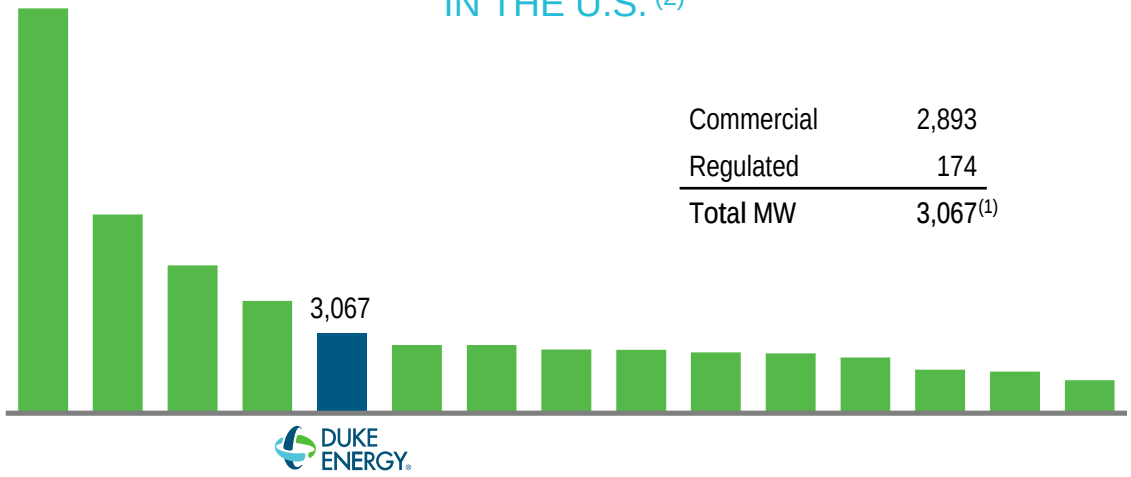
1,000 MW
OF WIND PROJECTS PTC QUALIFIED FOR FUTURE INVESTMENT

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)

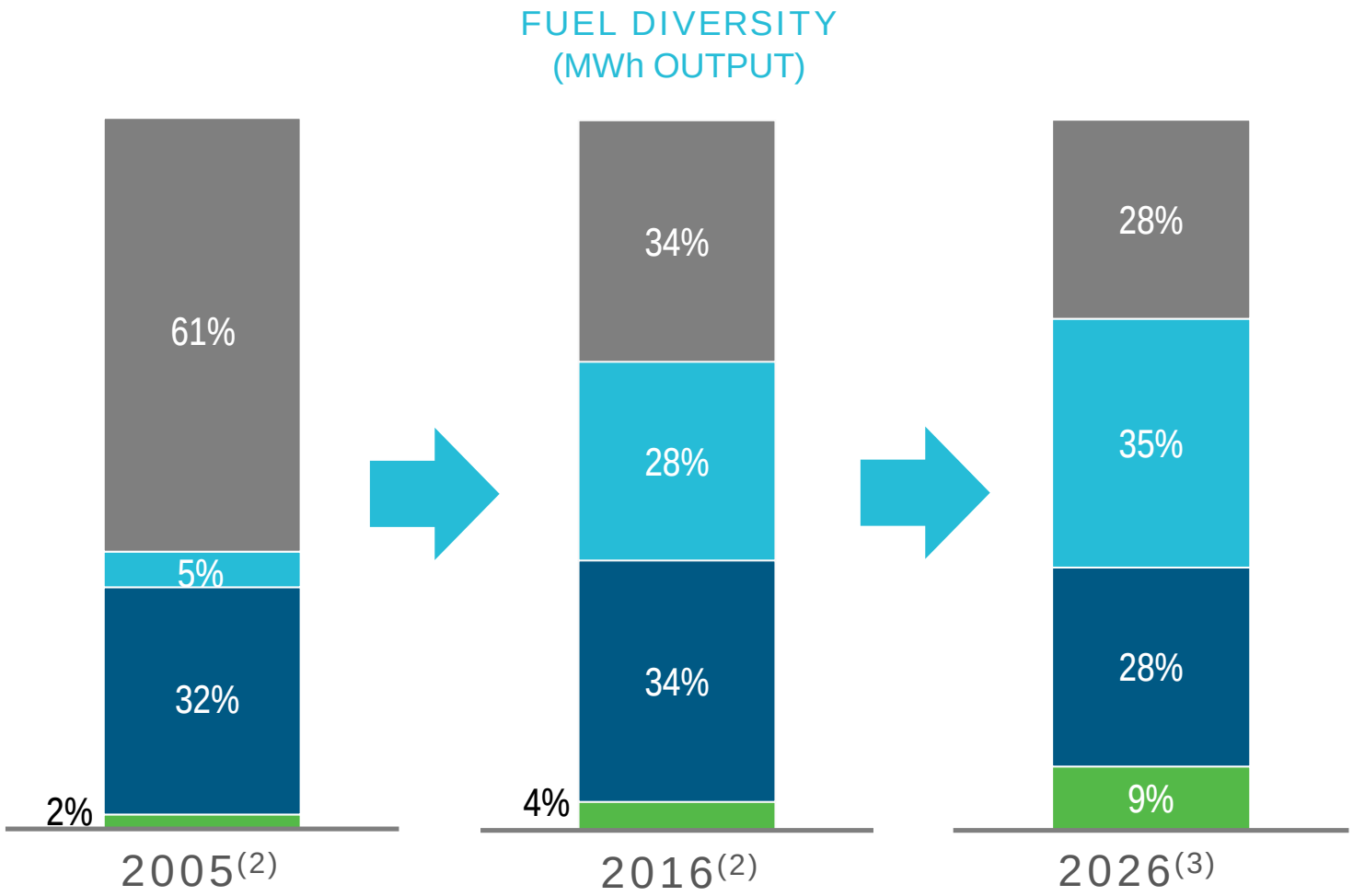
(1) *In service as of Dec. 31, 2016*
(2) *Source: SNL Energy; top 15 owners by MW capacity*
(3) *As originally discussed on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 16, 2017*

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*

Managing regulatory lag to earn our allowed ROEs

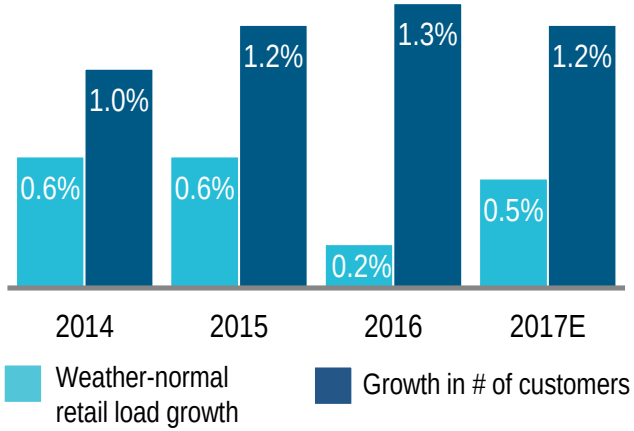
EARNING ALLOWED ROEs

WITH NO SIGNIFICANT RATE CASES SINCE 2013

REGULATORY LAG MITIGATED

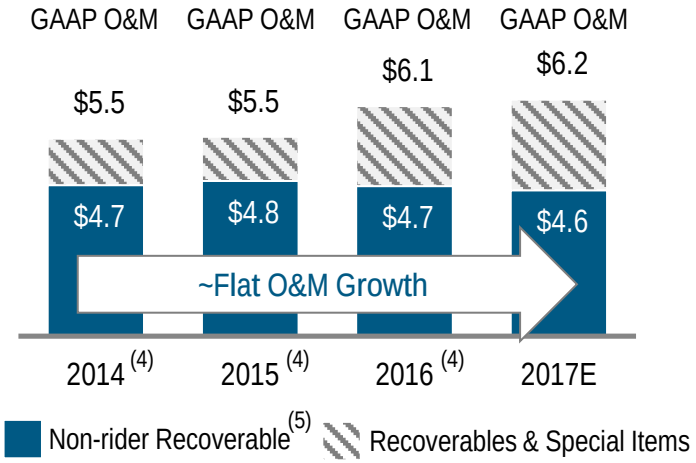
BY CUSTOMER GROWTH, FOCUSED COST MANAGEMENT EFFORTS AND WHOLESALE EXPANSION

CUSTOMER GROWTH AND VOLUME TRENDS(1)

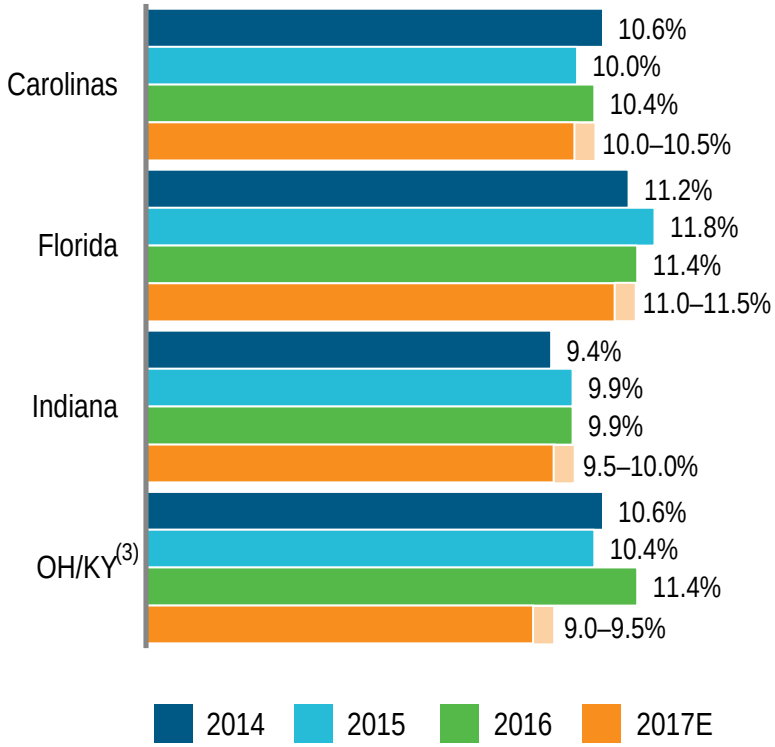


O&M COST MANAGEMENT(1)

($ 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*

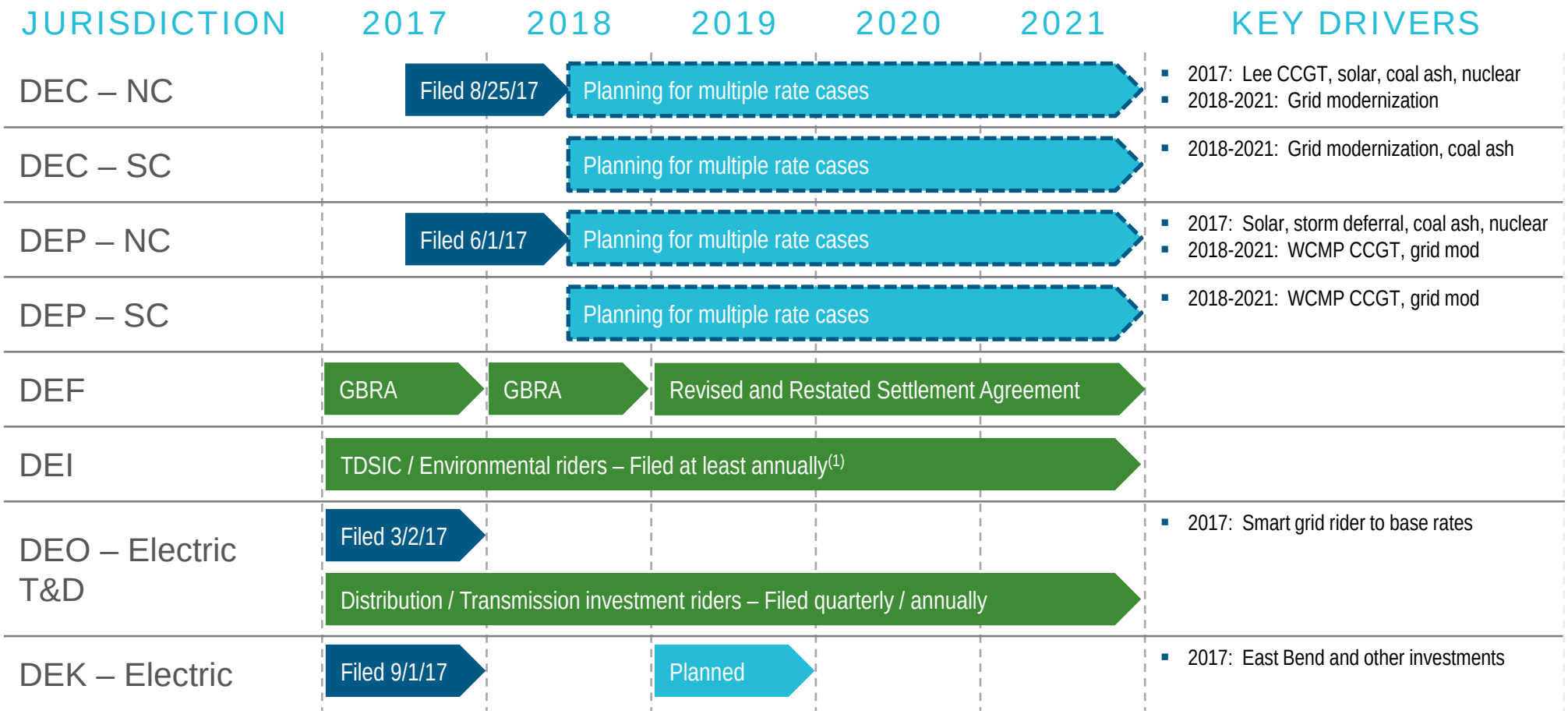
(2) *Adjusted book ROEs exclude special items and are based on average book equity less Goodwill. Adjusted ROEs also include wholesale and are not adjusted for the impacts of weather. Regulatory ROEs will differ from Adjusted Book ROEs*

(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



We will monitor our regulated ROEs and file rate cases as frequently as necessary and pursue alternative recovery mechanisms

(1) 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

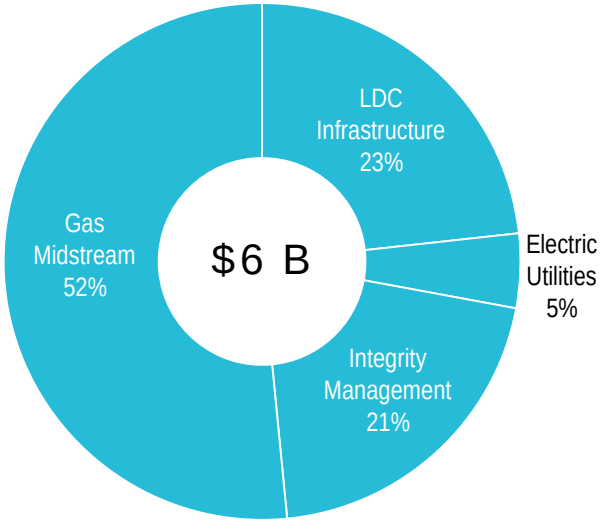
$6 B

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

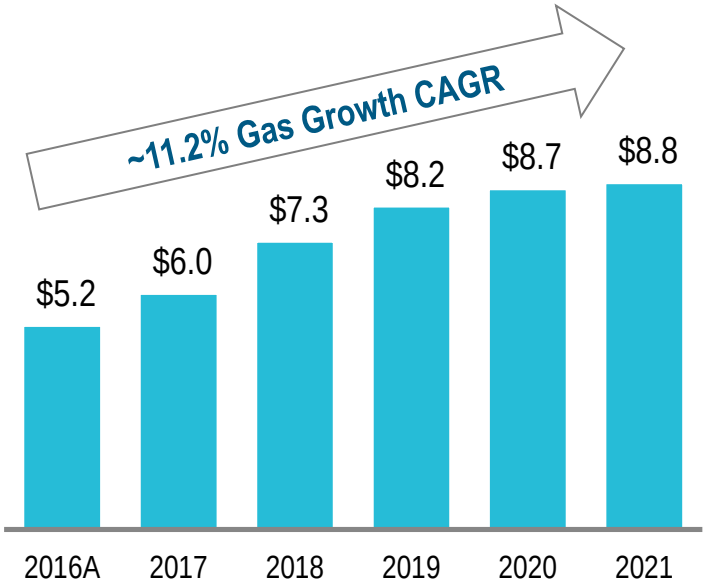
50/50

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*

Expanding natural gas infrastructure with LDCs and midstream growth

EXPAND NATURAL GAS INFRASTRUCTURE

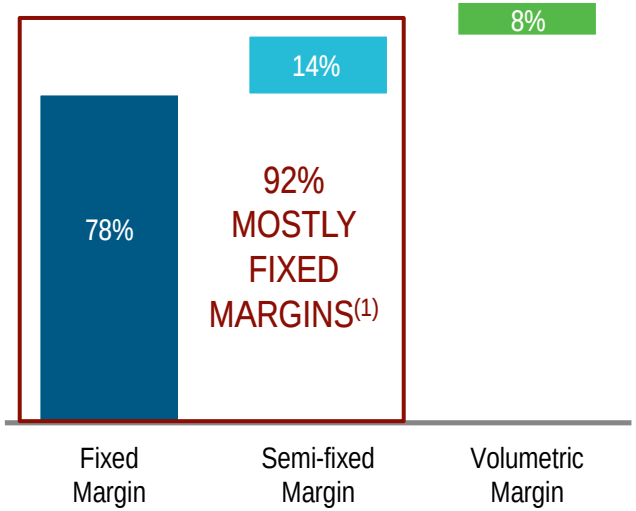
#2

DUKE'S USE OF NATURAL GAS ACROSS ITS LDC AND ELECTRIC BUSINESSES RANKS SECOND IN THE U.S.

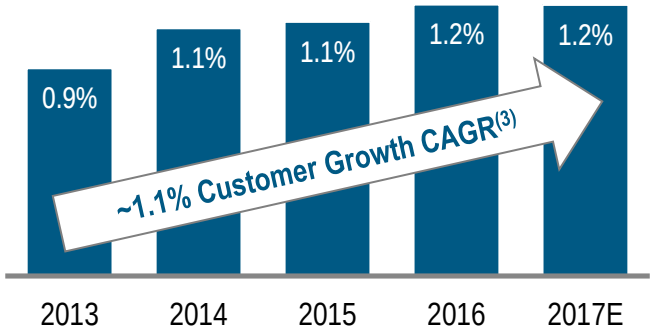
15%

GAS SEGMENT EARNINGS IN 10 YEARS FROM 8% IN 2017(2)

LOW VOLUMETRIC EXPOSURE DUE TO MOSTLY FIXED MARGINS...

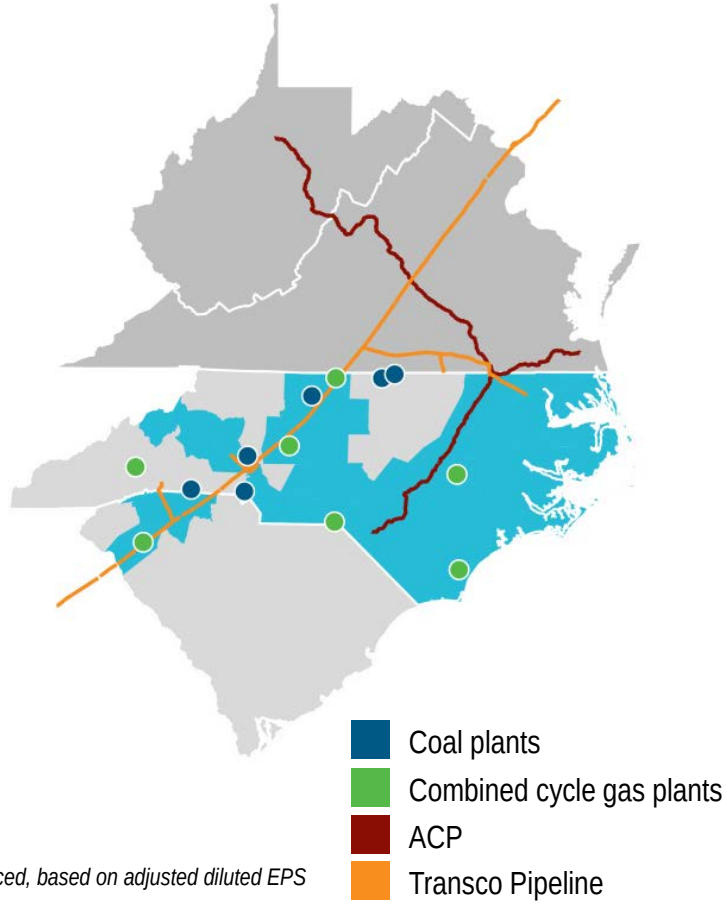


...WITH EARNINGS DRIVEN BY INVESTMENT AND STRONG CUSTOMER GROWTH



ATLANTIC COAST PIPELINE TO BRING SIGNIFICANT GAS SUPPLY TO UNDERSERVED EASTERN CAROLINAS

- Additional power generation potential
- LDC expansion for Piedmont Natural Gas



Map credit: SNL

(1) *As of Oct. 31, 2016*

(2) *Investment level will depend upon how the project and Duke investments are financed, based on adjusted diluted EPS*

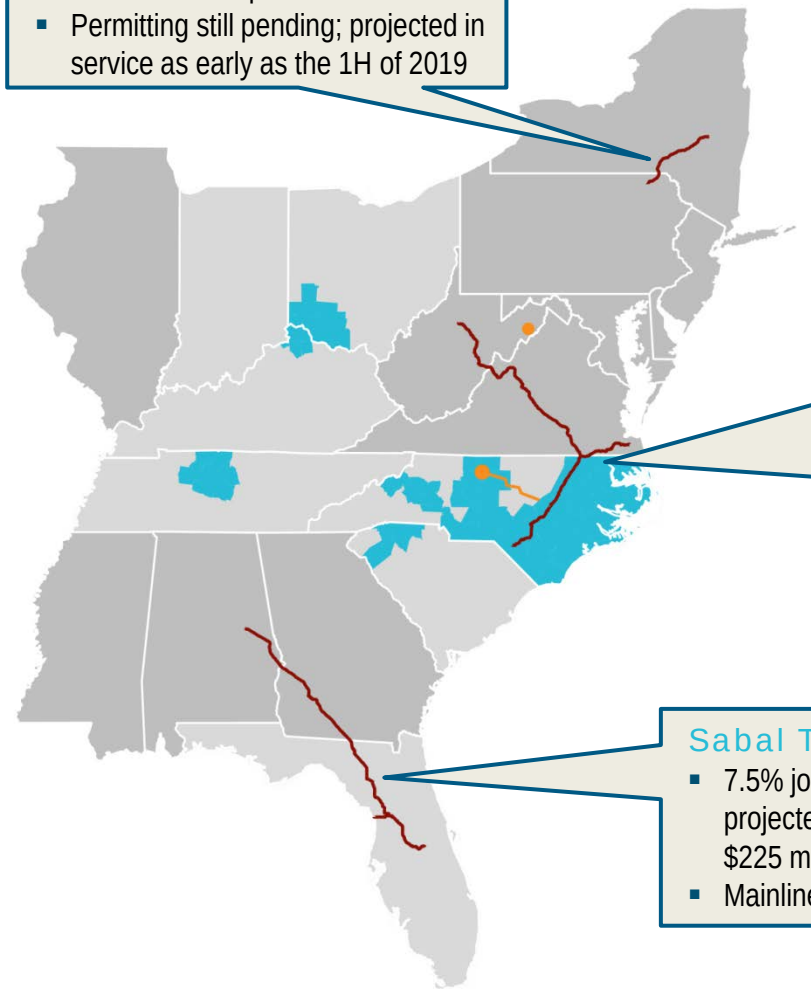
(3) *Piedmont CAGR: 1.5%, Midwest LDC CAGR: 0.5%*

Enabling clean energy through midstream pipeline investments

EXPAND NATURAL GAS INFRASTRUCTURE

$3.3 B

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



Constitution Pipeline

- 24% joint owner with projected investment of up to $225 million[1]
- Permitting still pending; projected in service as early as the 1H of 2019

Atlantic Coast Pipeline

- 47% joint owner with projected investment of up to $2.4 billion[1]
- Received FERC certificate on Oct. 13, 2017
- ~95% subscribed; projected in service by late 2019

Sabal Trail Pipeline

- 7.5% joint owner with projected investment of up to $225 million[1]
- Mainline in-service

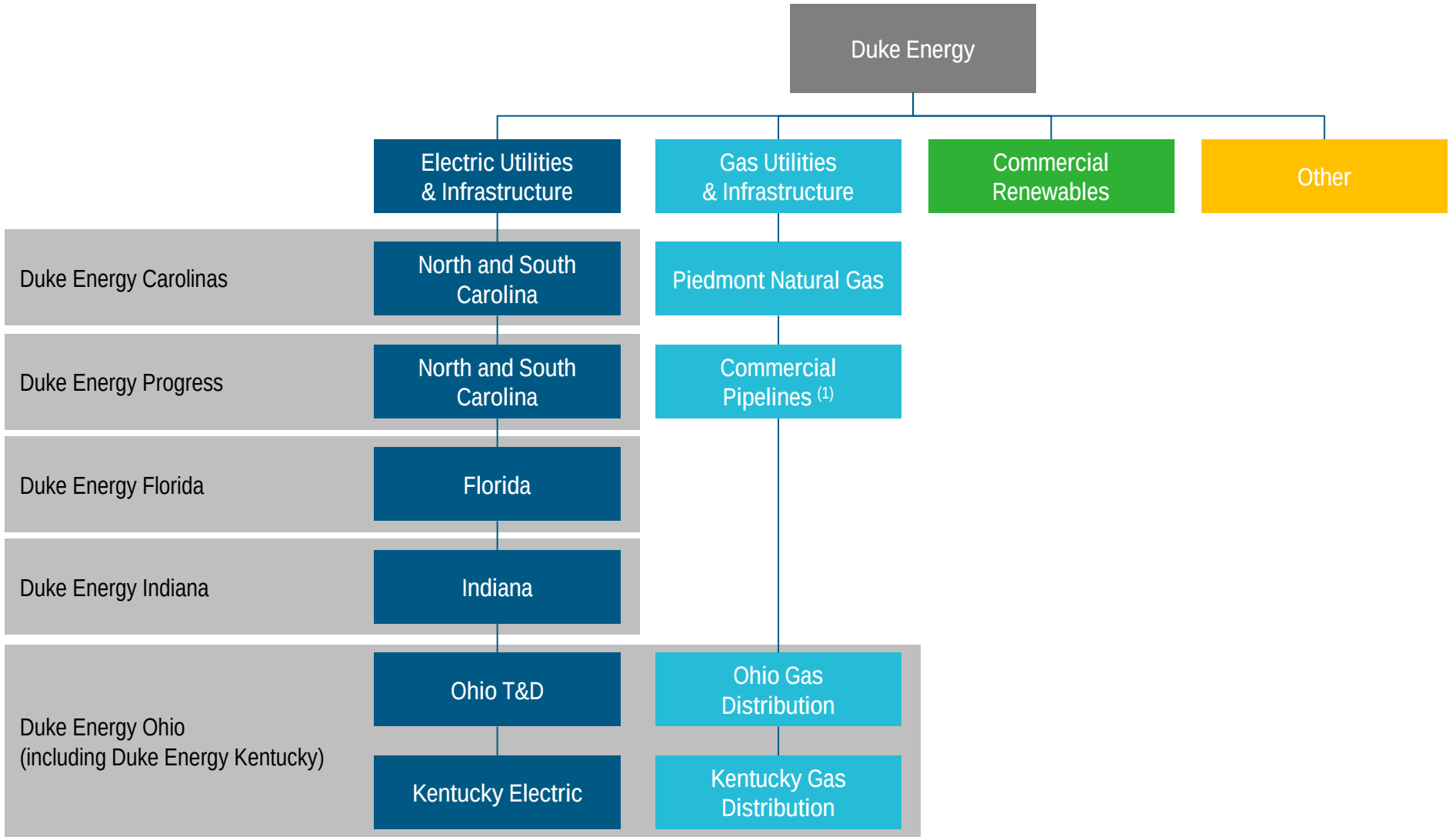
Map credit: SNL

(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

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

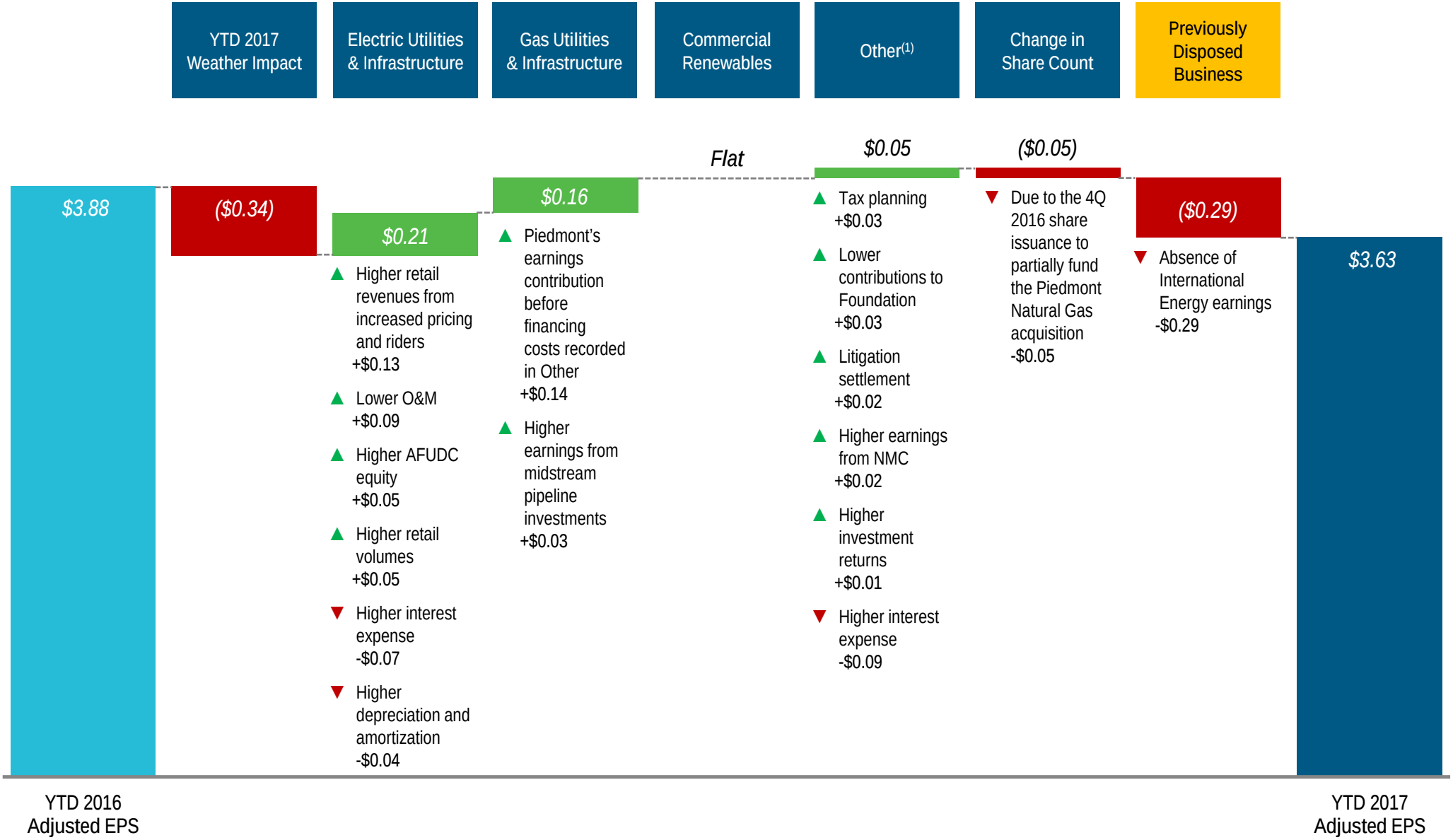
Key 2017 earnings sensitivities[1]

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.*

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 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

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	$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

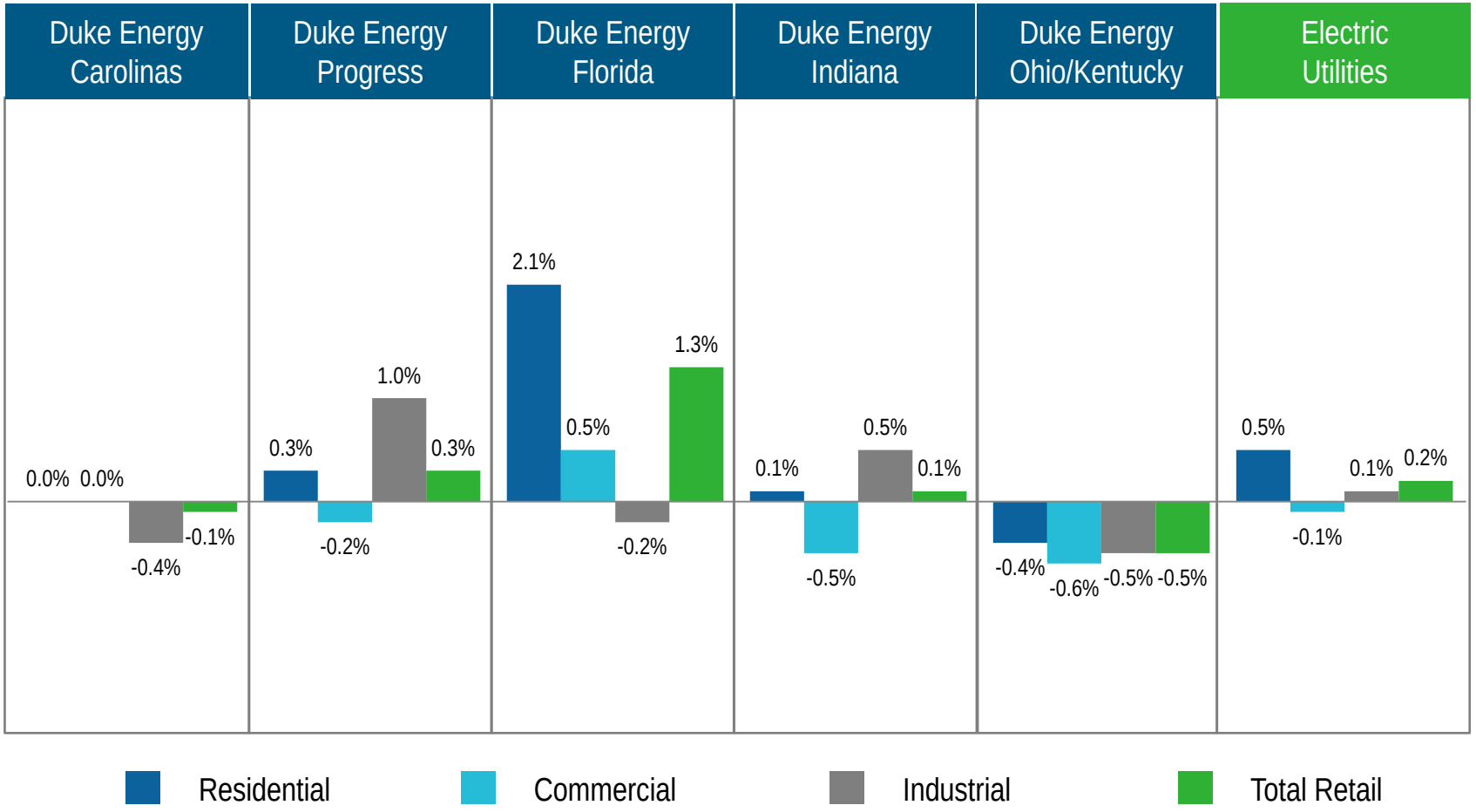
3Q 2016	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY	
Heating degree days / Variance from normal	--	(100.0%)	--	(100.0%)	--	--	21	(69.1%)	24	(60.0%)
Cooling degree days / Variance from normal	1,301	33.6%	1,343	28.5%	1,598	8.0%	932	26.5%	973	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

Weather normalized volume trends, by electric jurisdiction

Rolling Twelve Months, as of Sept. 30, 2017



ADJUSTING FOR LEAP YEAR RETAIL SALES INCREASED BY 0.5%

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

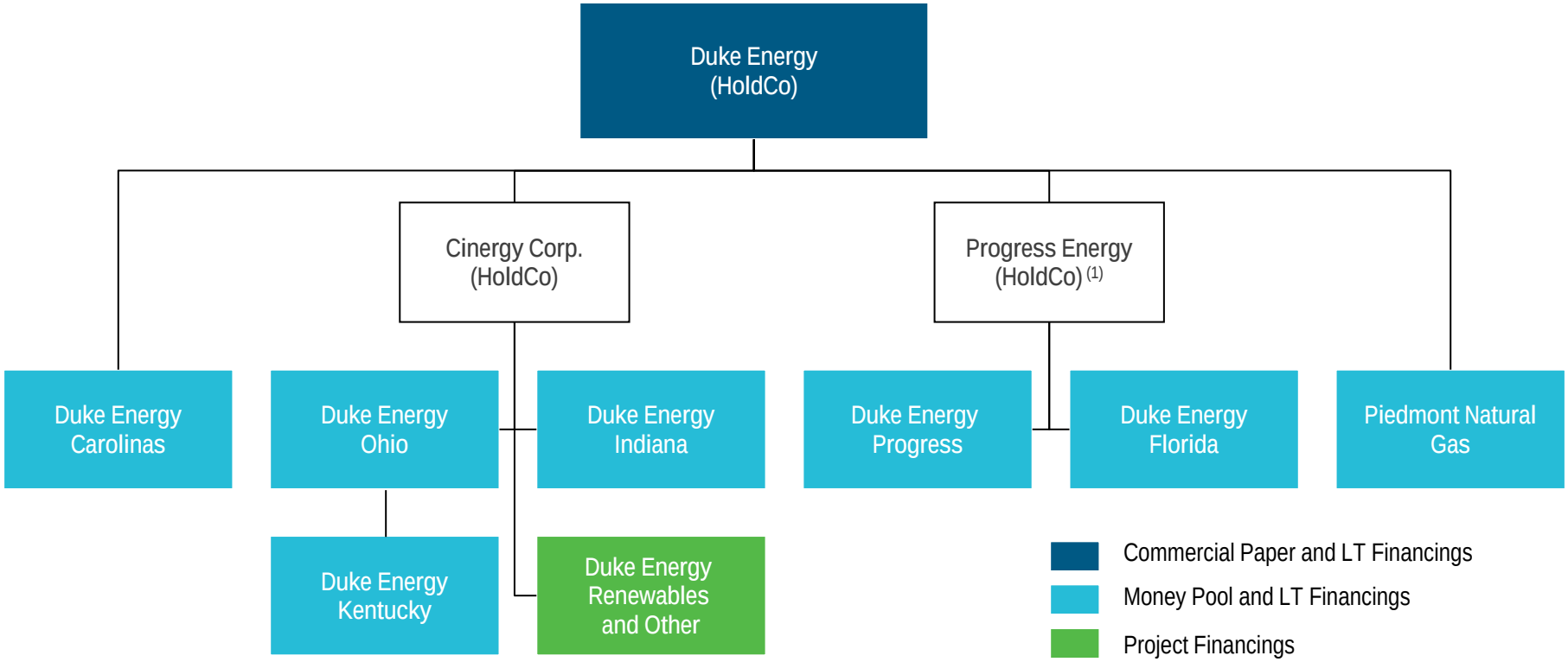
Expenditures for waste conversion to dry ash handling by jurisdiction:

- 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 Sept. 30, 2017)

Holding Companies

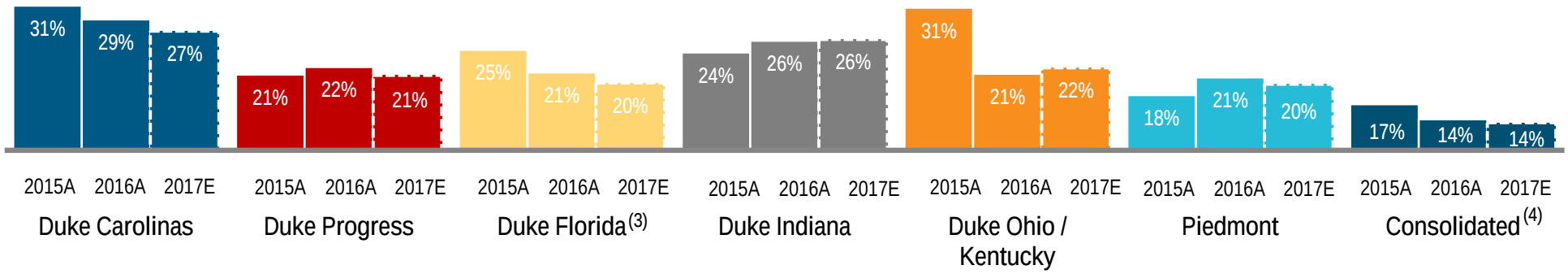
	Fitch	Moody's	S&P
DUKE ENERGY	Negative	Stable	Stable
Senior Unsecured Debt	BBB+	Baa1	BBB+
Commercial Paper	F-2	P-2	A-2
PROGRESS ENERGY		Stable	Stable
Senior Unsecured Debt		Baa2	BBB+

Operating Companies

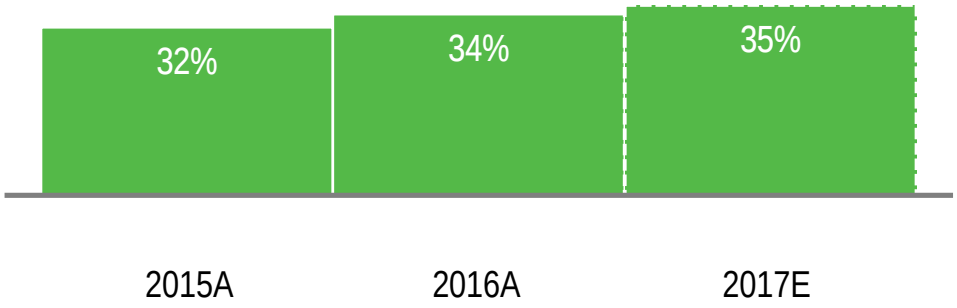
	Moody's	S&P
DUKE ENERGY CAROLINAS	Stable	Stable
Senior Secured Debt	Aa2	A
Senior Unsecured Debt	A1	A-
DUKE ENERGY PROGRESS	Stable	Stable
Senior Secured Debt	Aa3	A
DUKE ENERGY FLORIDA	Stable	Stable
Senior Secured Debt	A1	A
Senior Unsecured Debt	A3	A-
DUKE ENERGY INDIANA	Stable	Stable
Senior Secured Debt	Aa3	A
Senior Unsecured Debt	A2	A-
DUKE ENERGY OHIO	Positive	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

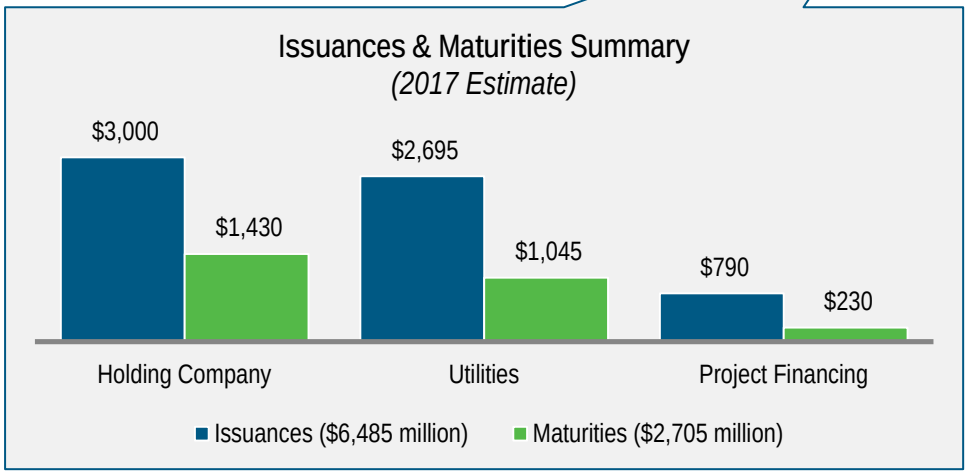
- Committed to maintaining strong credit quality, including investment-grade ratings
  - In January S&P affirmed DUK ratings and revised outlook from negative to stable
- Base plan assumes $350 million of DRIP equity issuances per year 2018 – 2021
- Credit metrics strengthen over the planning horizon

PRIMARY CREDIT METRICS

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

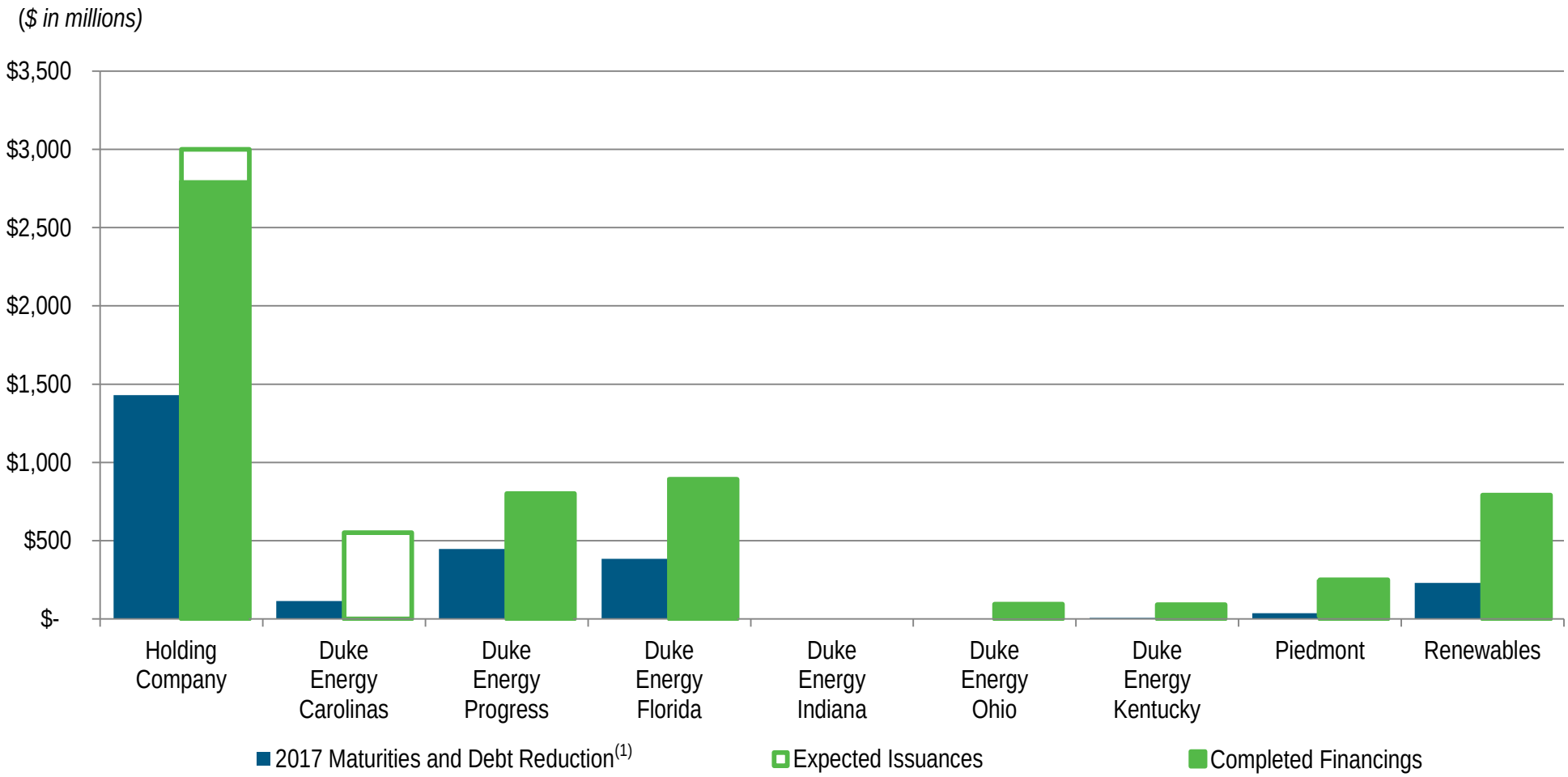
FORECASTED 2017 SUMMARY CASH FLOWS (1)

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 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

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 • Rates effective Feb. 1, 2018, if approved
DEC NC	July 25, 2017	Aug. 25, 2017	Jan. 19, 2018	Feb. 2, 2018	Feb. 19, 2018	• 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	• 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	• Docket: Case No. 2017-00321 • Base rate Case • Rates effective April 2018, if approved

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

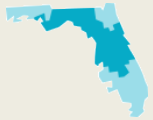


Duke Energy Carolinas (NC/SC)



Duke Energy Progress (NC/SC)

FLORIDA

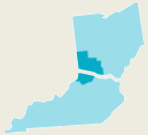


Duke Energy Florida

MIDWEST

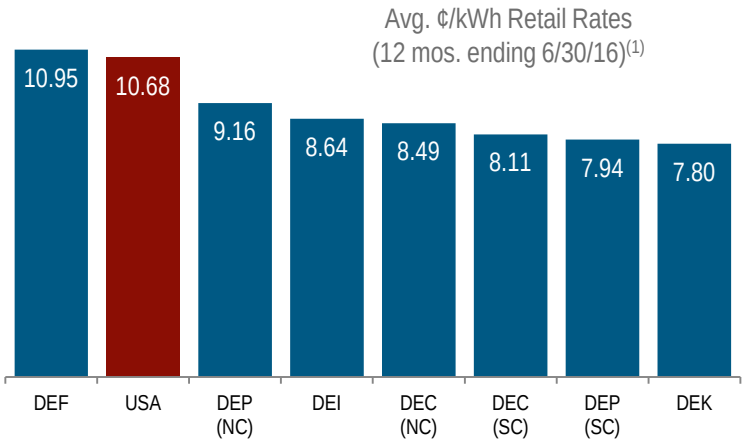


Duke Energy Indiana

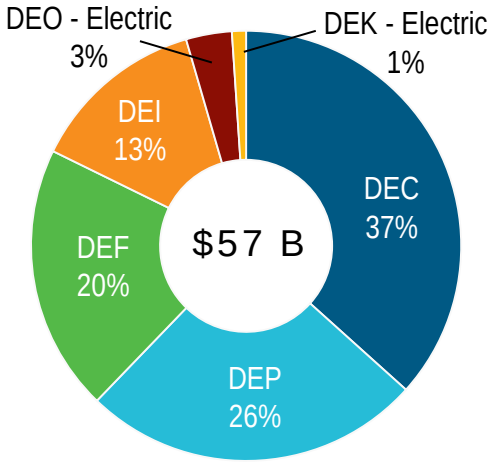


Duke Energy Ohio / Kentucky

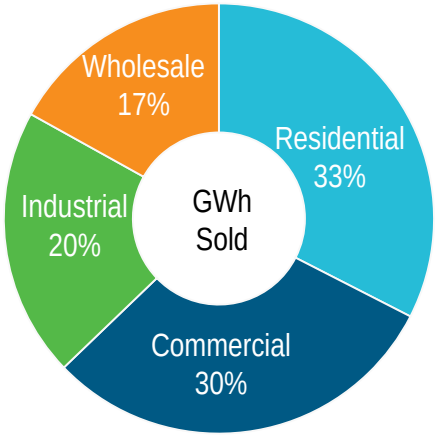
COMPETITIVE CUSTOMER RATES



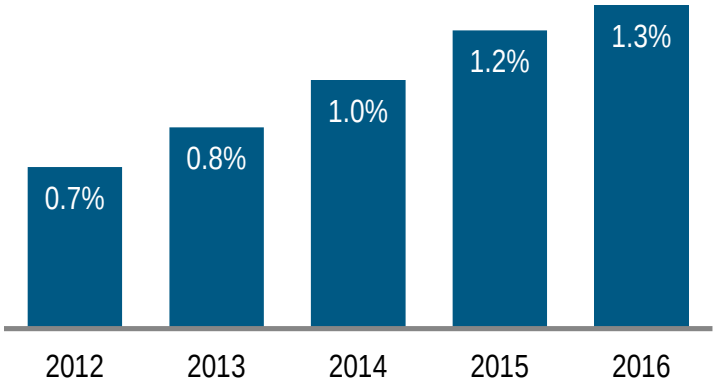
REGULATED ELECTRIC 2016 EARNINGS BASE



BALANCED CUSTOMER MIX



STRONG CUSTOMER GROWTH



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

Hurricane Irma – Duke Energy Florida response at a glance



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

141
Transmission poles replaced

~1.3 million
Customers affected

178
Miles of wire replaced

>75%
Restored in 3 days

1,106
Transformers replaced

>99%
Restored in 8 days

>12,000
Line and field workers

2.6 million
Calls answered

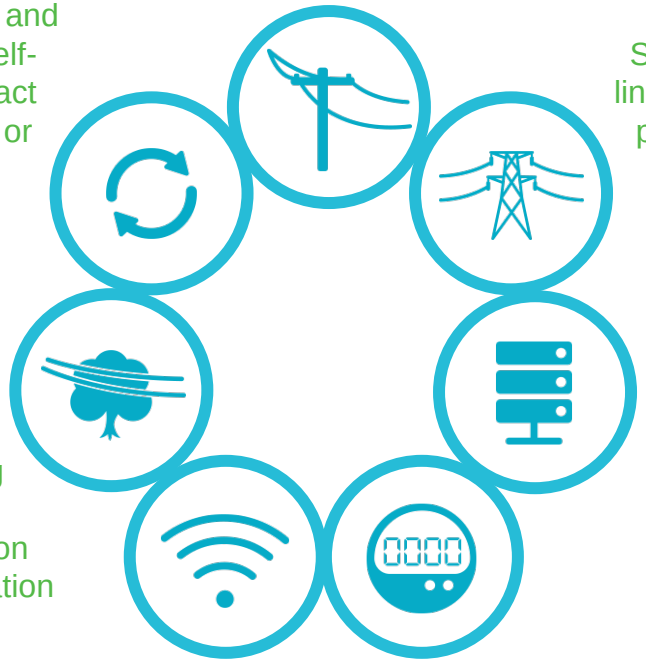
$1 million
Relief donations

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

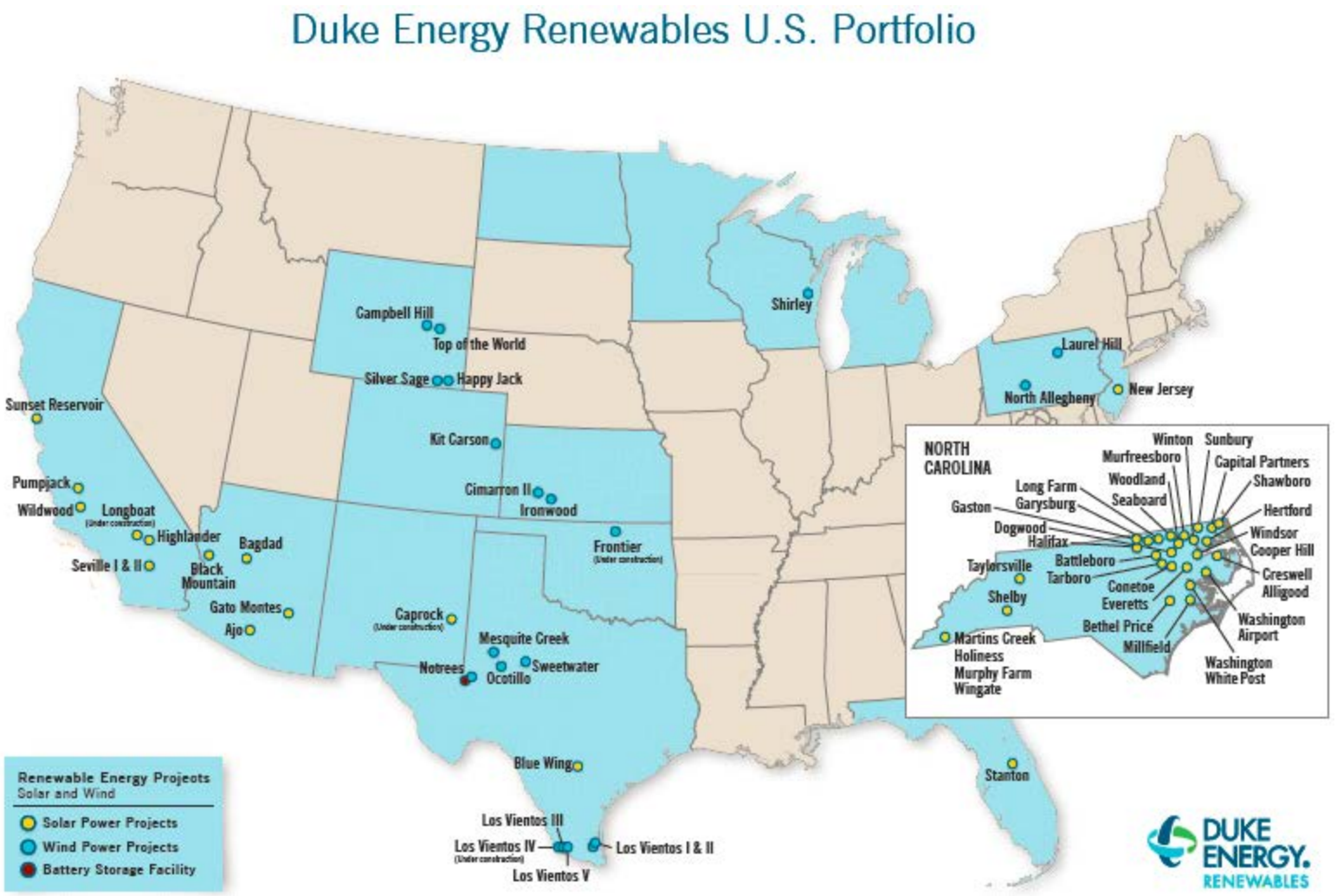
- Gas utilities can recover commodity costs through automatic adjustment clauses
- Purchased gas adjustment clauses
- Weather normalization clauses
- Incentive mechanisms related to gas procurement, capacity release, and off-system sales
- IMR allows recovery of costs associated with system integrity 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 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.