



FOURTH QUARTER EARNINGS REVIEW AND BUSINESS UPDATE

FEB. 20, 2018

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/.

\$4.36

REPORTED DILUTED EPS FOR 2017

\$4.57

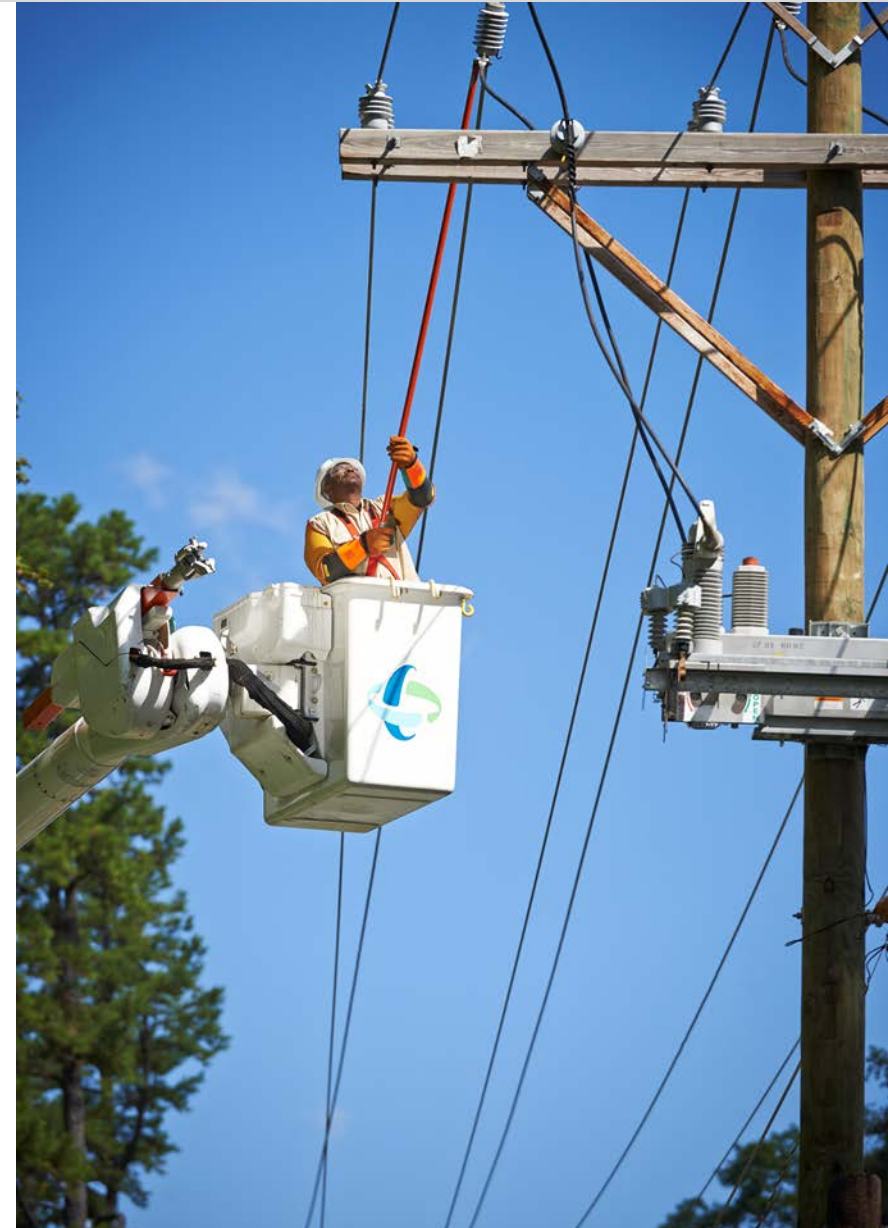
ADJUSTED DILUTED EPS FOR 2017,
NEAR HIGH END OF NARROWED
EPS GUIDANCE RANGE OF \$4.50 TO \$4.60

\$4.55 - \$4.85

INTRODUCING 2018 EPS
GUIDANCE RANGE

**4 - 6% GROWTH
THROUGH 2022**

REAFFIRMING AND EXTENDING GROWTH
RATE OFF THE MIDPOINT OF
ORIGINAL 2017 ADJUSTED EPS
GUIDANCE RANGE (\$4.60)



DUK
LISTED
NYSE

A SOLID LONG-TERM HOLDING



SUPPORTED BY THE STRENGTH OF OUR BALANCE SHEET

(1) As of Feb. 16, 2018

(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



WHAT WE SAID...

...WHAT WE DID

- Narrowed adjusted diluted EPS guidance range of \$4.50 to \$4.60
 - ✓ Delivered near high end of narrowed guidance range, despite unfavorable weather
 - ✓ Achieved cost management targets
- Grow the dividend consistent with the adjusted EPS growth rate
 - ✓ Increased the dividend 4% in 2017
- Maintain focus on employee safety and operational excellence
 - ✓ Improved safety metrics over industry-leading 2016 levels
 - ✓ Nuclear capacity factors near all-time highs
 - ✓ Exceptional response to Hurricane Irma
 - ✓ Named to Fortune magazine's 2018 list of World's Most Admired Companies
- Introduced our strategic vision for the next decade to modernize the energy grid, generate cleaner energy and expand natural gas infrastructure
 - ✓ Demonstrated progress across our grid, generation and gas investment programs
 - ✓ Advanced regulatory modernization initiatives with multi-year rate plan in Florida and new riders in NC (HB 589)

2017

BUILDING A SMARTER ENERGY FUTURESM

2026



ENGAGE
STAKEHOLDERS

MODERN
RECOVERY
MECHANISMS
IN ALL JURISDICTIONS



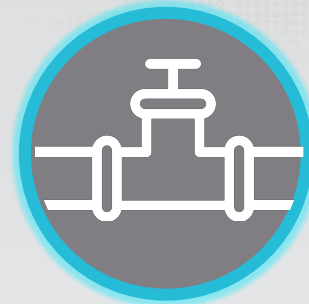
MODERNIZE THE
ENERGY GRID

\$25
BILLION
INVESTMENTS IN
GRID MODERNIZATION



GENERATE
CLEANER ENERGY

\$11
BILLION
INVESTMENTS IN
CLEAN GENERATION (1)



EXPAND
NATURAL GAS
INFRASTRUCTURE

15
PERCENT
GAS PROPORTION OF
BUSINESS MIX (2)



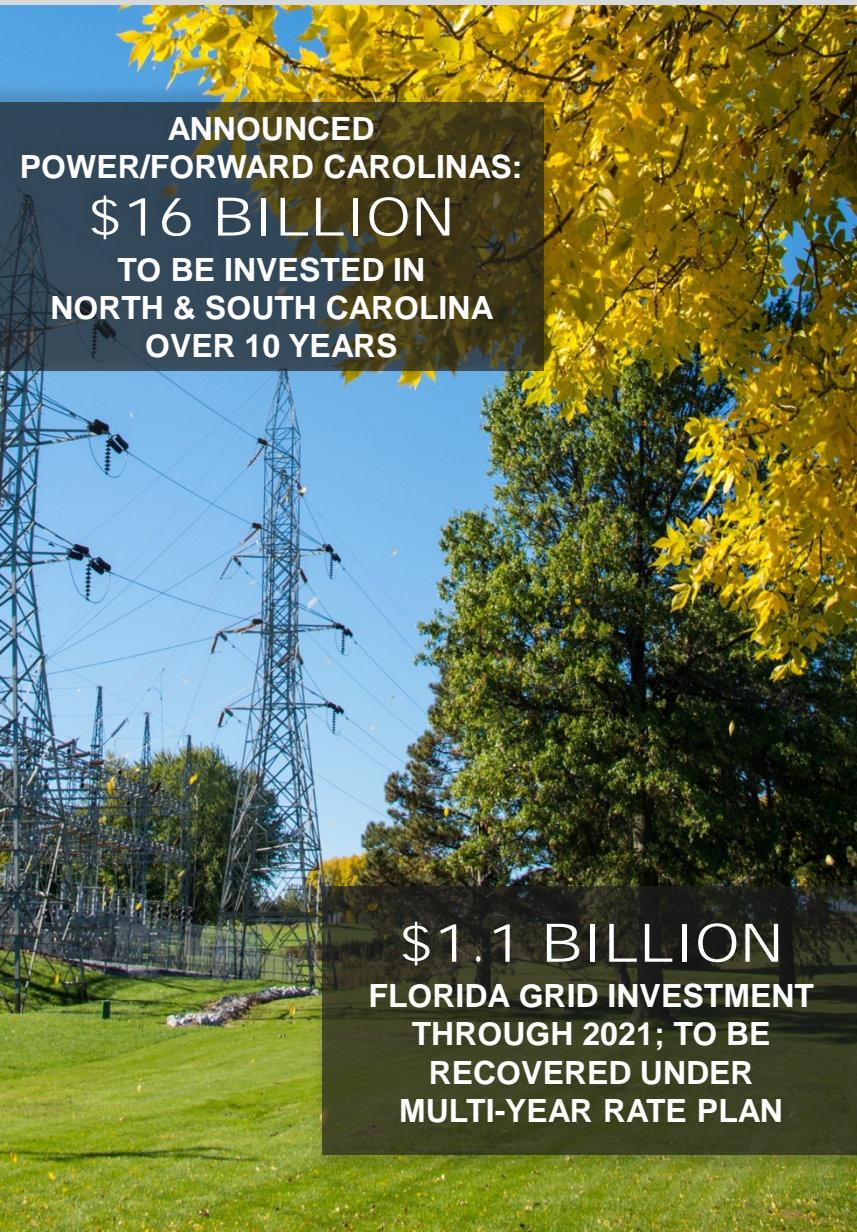
TRANSFORM THE
CUSTOMER
EXPERIENCE

TOP
QUARTILE
CUSTOMER
SATISFACTION

EMPLOYEE ENGAGEMENT AND OPERATIONAL EXCELLENCE
ARE FOUNDATIONAL TO OUR SUCCESS

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

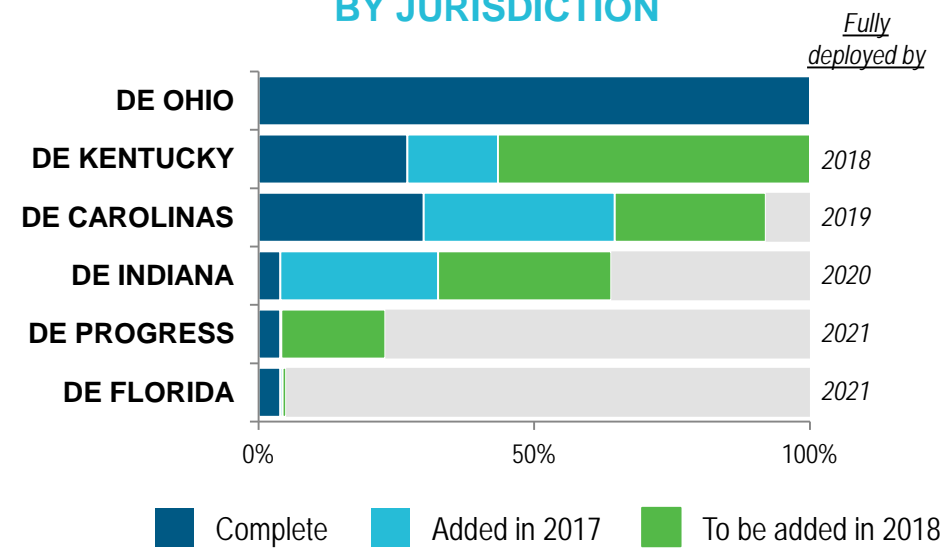
(2) Based on adjusted diluted EPS



**ANNOUNCED
POWER/FORWARD CAROLINAS:
\$16 BILLION
TO BE INVESTED IN
NORTH & SOUTH CAROLINA
OVER 10 YEARS**

**\$1.1 BILLION
FLORIDA GRID INVESTMENT
THROUGH 2021; TO BE
RECOVERED UNDER
MULTI-YEAR RATE PLAN**

AMI DEPLOYMENT BY JURISDICTION

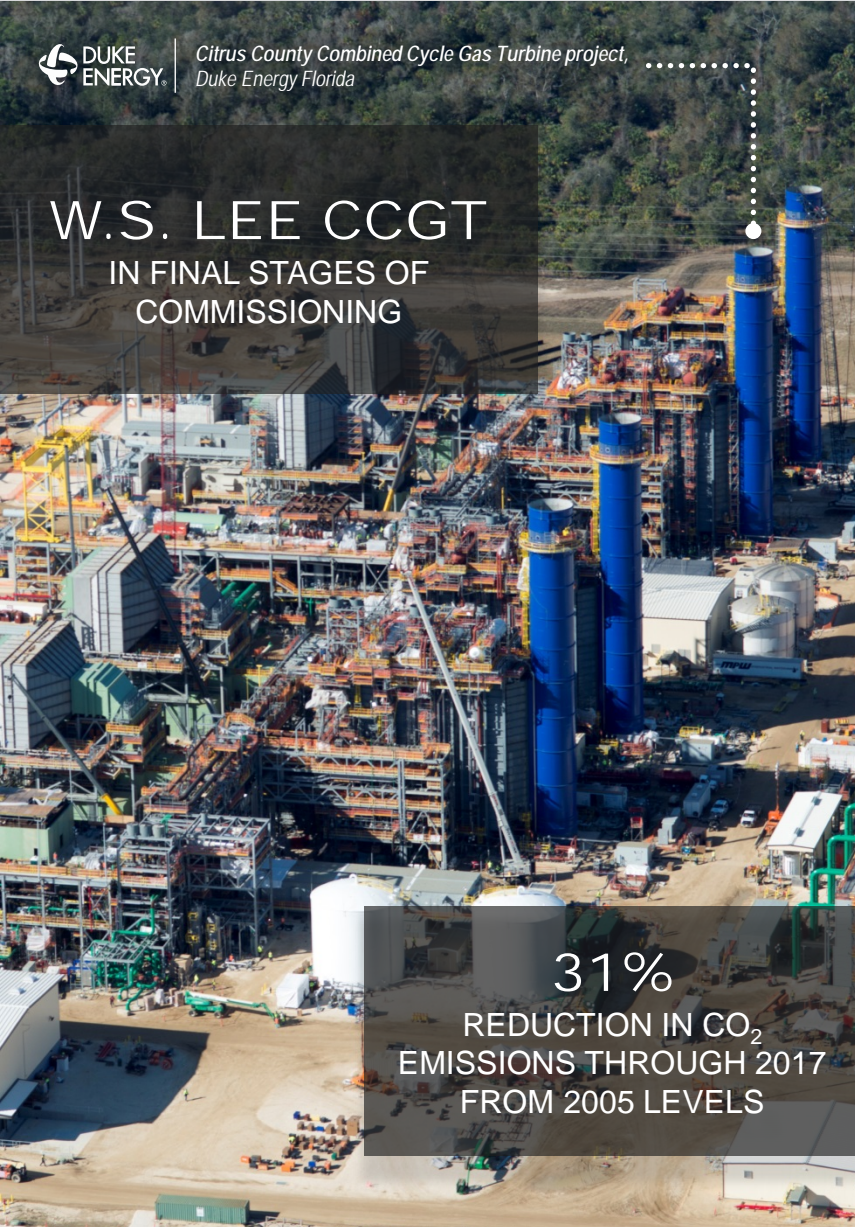


- Pursuing grid modernization rider in DEC-NC rate case
- ~\$600 million annual grid investment at DEI and DEO recovered via riders
 - Requested extension of distribution rider at DEO
- Over 500 EV charging stations to be deployed at DEF
- ~185 MW battery storage projects proposed or in-service across our businesses



Citrus County Combined Cycle Gas Turbine project,
Duke Energy Florida

W.S. LEE CCGT
IN FINAL STAGES OF
COMMISSIONING

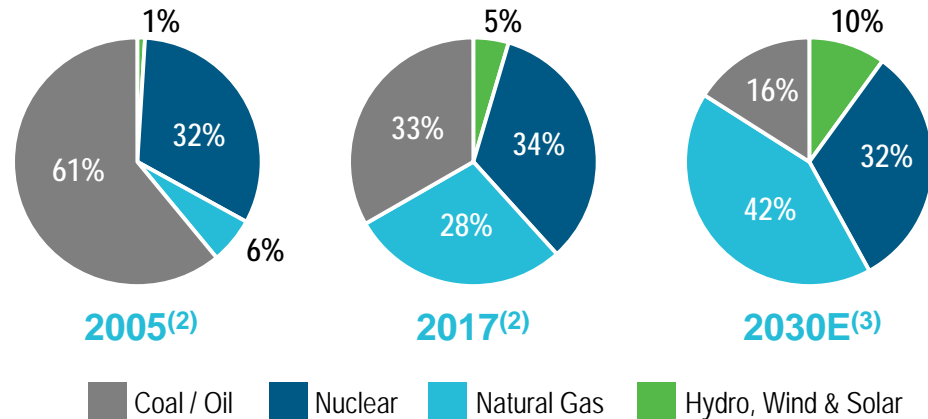


31%
REDUCTION IN CO₂
EMISSIONS THROUGH 2017
FROM 2005 LEVELS

TARGETING 40% REDUCTION IN CO₂ EMISSIONS BY 2030 FROM 2005 LEVELS⁽¹⁾

- Citrus County CCGT (DEF, 2018) and Western Carolinas (DEP, 2019) are on-time and on-budget
- Increasing solar generation in NC under HB 589
- Building up to 700 MW solar at DEF per settlement
- Evaluating extended licenses for nuclear fleet

FUEL DIVERSITY (MWh OUTPUT)



(1) 2030 carbon reduction will be influenced by customer demand, generation mix, weather, fuel availability and prices
 (2) 2005 and 2017 data based on Duke's ownership share of U.S. generation assets as of Dec. 31, 2017
 (3) 2030 estimate does not reflect the EPA Clean Power Plan



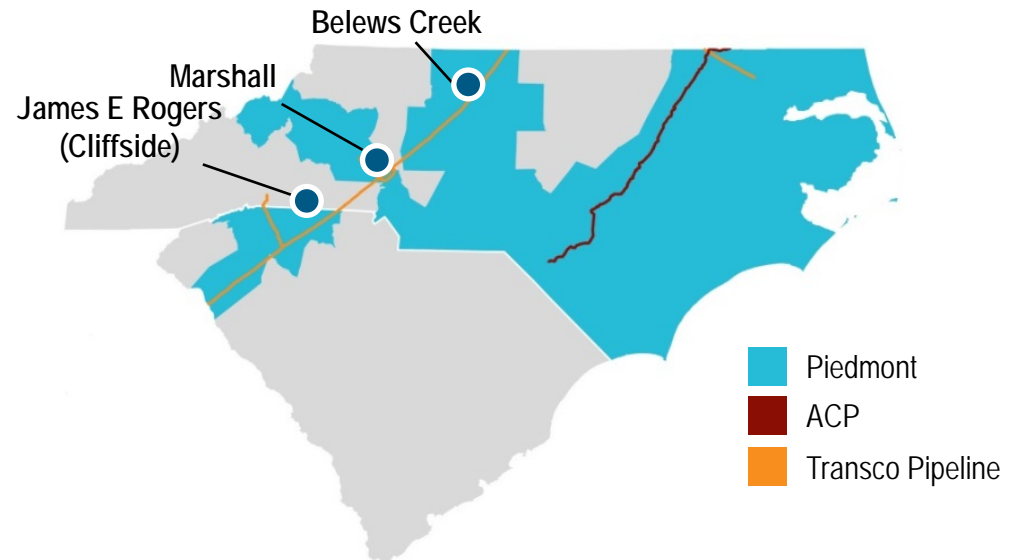
SUCCESSFUL INTEGRATION OF PIEDMONT

PAST ONE-YEAR ANNIVERSARY
OF COMBINED OPERATIONS

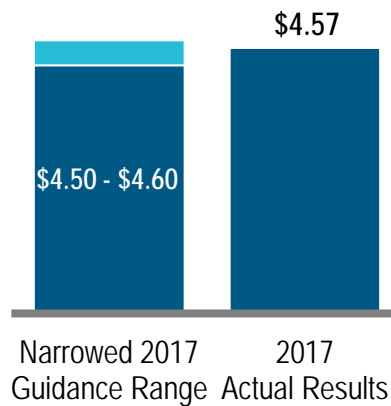
ACHIEVED MIDSTREAM
MILESTONES
SABAL TRAIL COMPLETE;
ACP CONSTRUCTION UNDERWAY

- Made substantial progress on Atlantic Coast Pipeline
 - Obtained key state and federal permits
 - Commenced construction activities under limited notices to proceed from FERC
 - On schedule for completion in late 2019
 - Estimated cost has increased to \$6 to 6.5 billion
- Announced third dual-fuel project at Marshall Steam Station

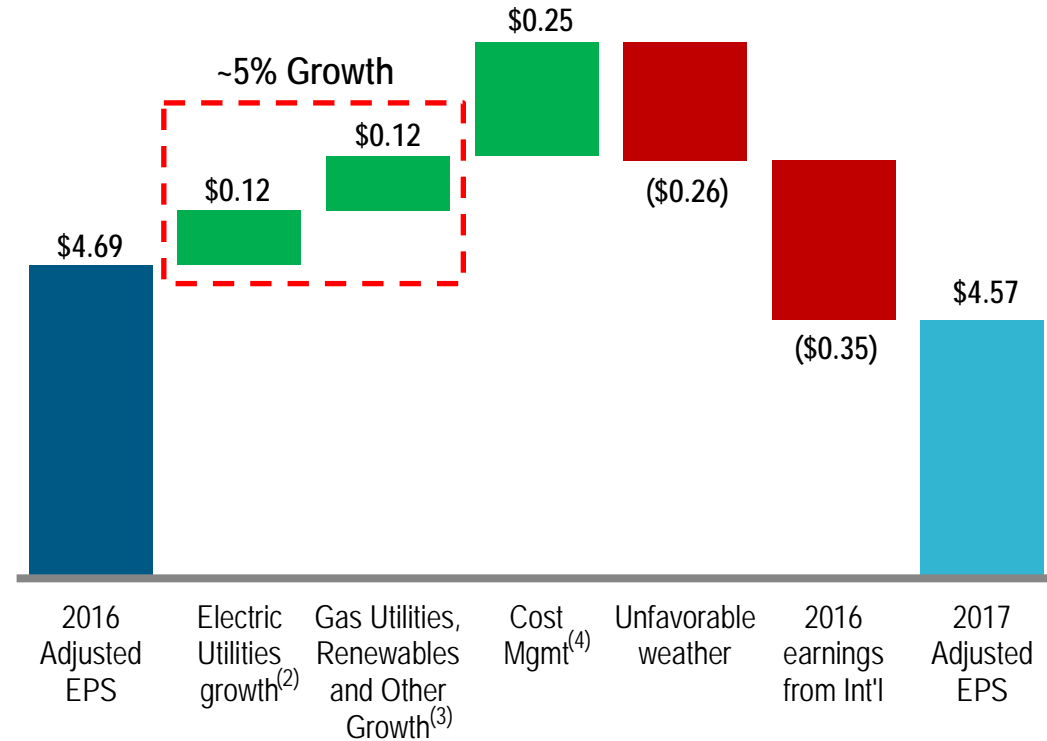
DUAL FUEL PROJECTS IN NC



ACHIEVED ADJUSTED DILUTED EPS NEAR HIGH END OF NARROWED GUIDANCE RANGE



2017 ADJUSTED DILUTED EPS HIGHLIGHTS⁽¹⁾



(1) Detailed drivers of adjusted segment income (expense) are available in the 4Q 2017 earnings release located on our Investor Relations website at www.duke-energy.com/investors/

(2) Increased pricing and riders, volumes and AFUDC equity; partially offset by regulatory lag from higher D&A, property taxes and interest expense

(3) Includes Piedmont contribution (net of financing costs), midstream pipeline growth, Commercial Renewables and Other

(4) Lower O&M in Electric Utilities & Infrastructure, and lower foundation contributions in Other

TAX REFORM BENEFITS

- Customers will benefit from lower taxes
- Earnings power of company increases through higher rate base growth

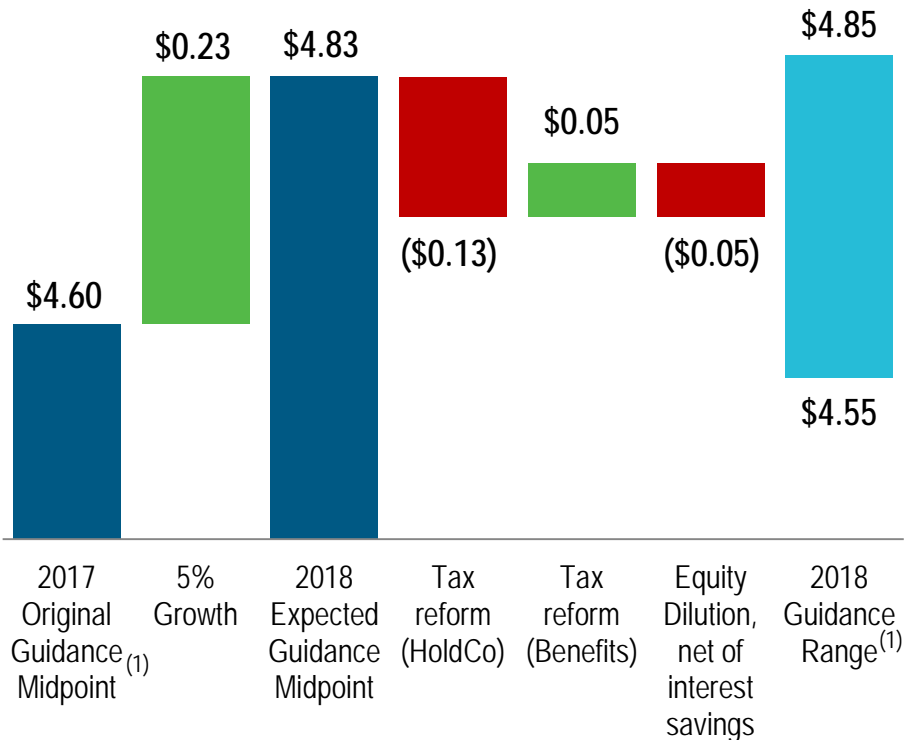
OTHER CONSIDERATIONS

- Lower tax shield at holding company reduces earnings
- Company is not expected to be a significant cash tax payer through 5-year plan
 - Exiting NOL in 2019 versus 2020 pre-reform; utilizing tax credits thereafter
 - AMT credits of \$1.2 billion refunded by 2022
- Company lowered capital plan by \$1 billion over 5 years
- Issuing \$2 billion of equity in 2018, including \$350 million originally contemplated

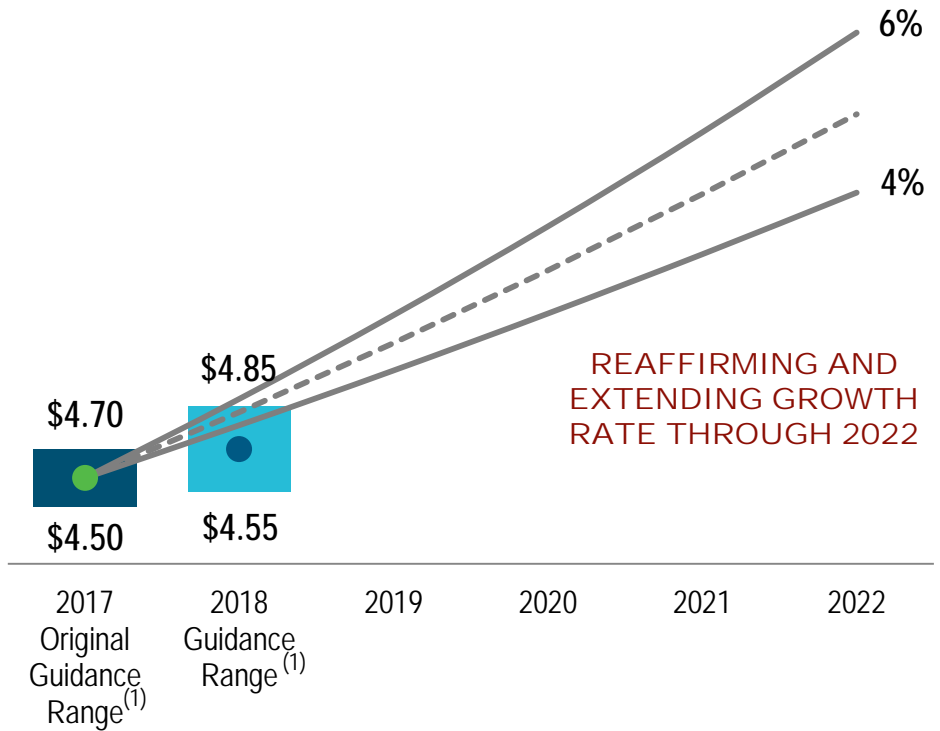
DIRECTIONAL IMPACTS

		Earnings	Cash Flow
Holdco	Lower interest expense tax shield	↓	---
	Refundable AMT credits	---	↑
Utilities	Higher rate base growth	↑	↑
	Lower tax rate	---	↓
	Excess deferred income taxes flowback	---	↓

IMPACTS FROM TAX REFORM
LOWER MIDPOINT OF 2018 EARNINGS
BELOW 4 – 6% GUIDANCE RANGE...

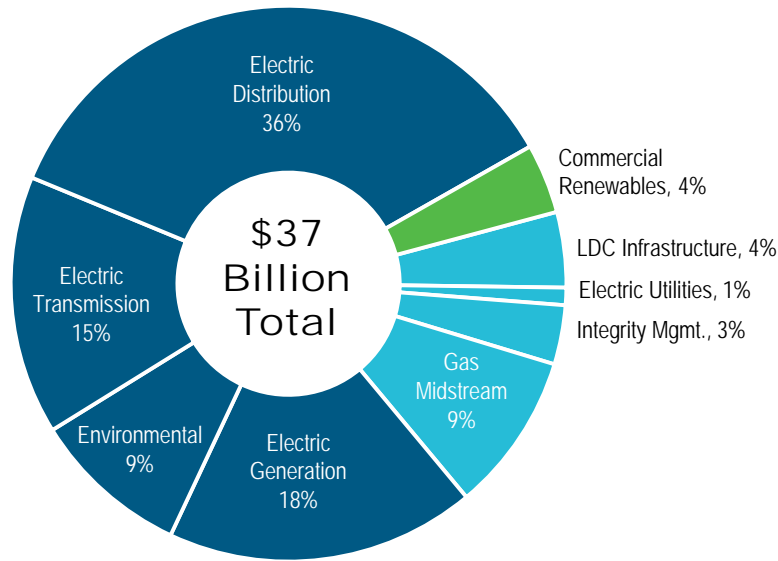


...BUT EXPECT TO BE:
1) BACK WITHIN THE RANGE BY 2019
2) AT THE MID TO HIGH END OF THE RANGE IN 2020 AND BEYOND



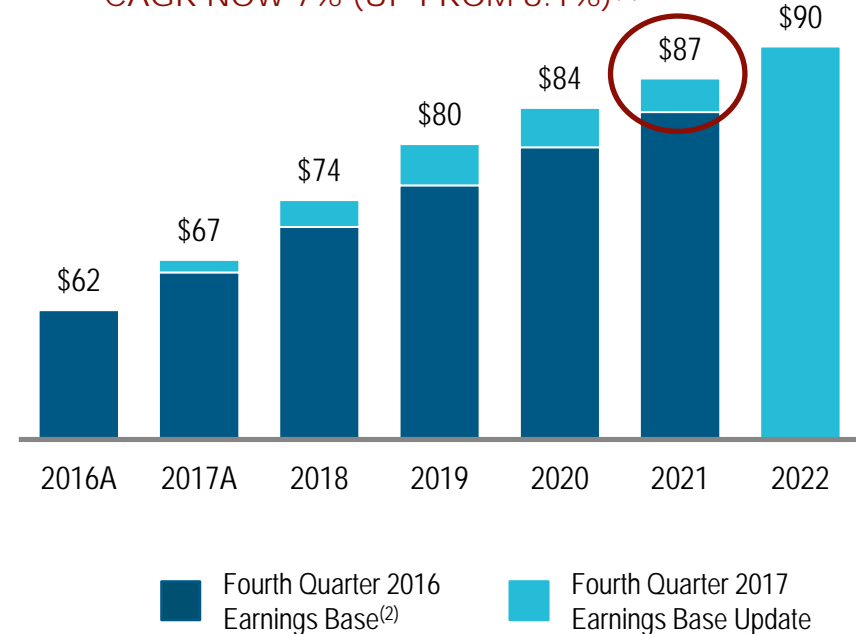
(1) Based on adjusted diluted EPS

2018 - 2022 GROWTH CAPITAL PLAN



2016 - 2022 REGULATED ELECTRIC AND GAS EARNINGS BASE⁽¹⁾

2021 EARNINGS BASE
INCREASES BY ~\$3.5 BILLION;
CAGR NOW 7% (UP FROM 6.1%)⁽²⁾



(1) 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

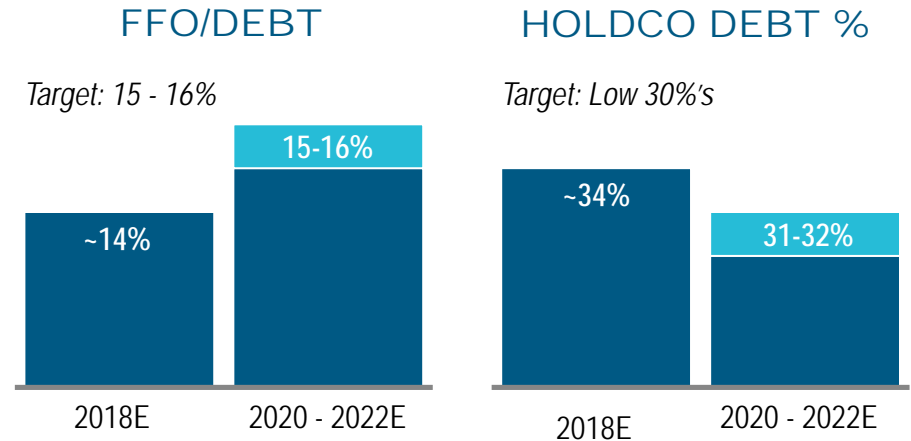
(2) As originally presented on the Fourth Quarter 2016 Earnings Review and Business Update on Feb. 15, 2017

KEY MESSAGES

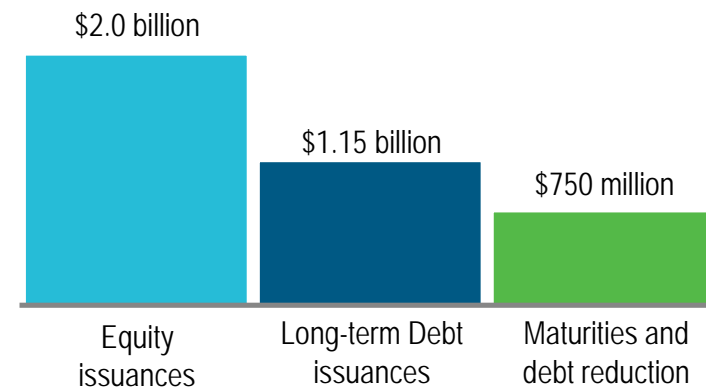
- Committed to maintaining strong credit quality, including investment-grade ratings
- Assuming \$2 billion equity issued in 2018, including \$350 million originally contemplated
- Continuing previously planned \$350 million of equity issuances per year 2019-2022 via DRIP/ATM programs
- Company lowered capital plan by \$1 billion over 5 years
- Credit metrics strengthen over the planning horizon

No additional equity needs expected over five-year plan

PRIMARY CREDIT METRICS



2018 ESTIMATED HOLDCO FINANCINGS⁽¹⁾

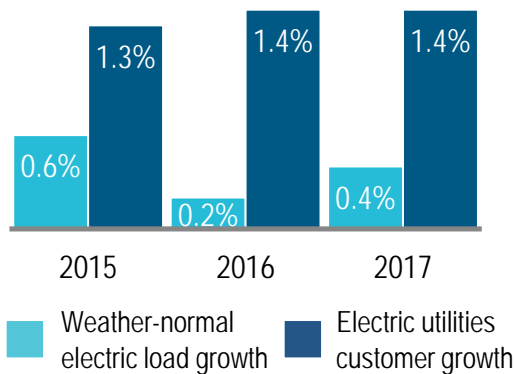


(1) Financing plan is subject to change, based on circumstances encountered throughout the year

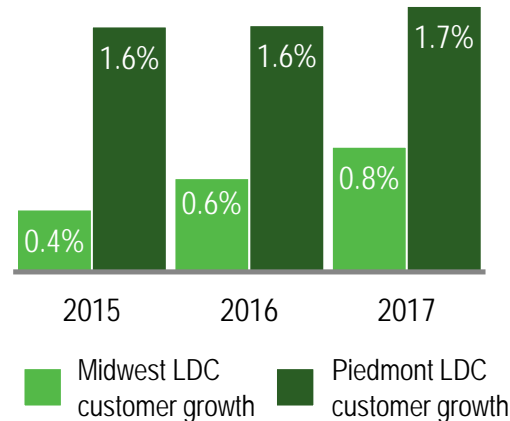
Strong customer growth and cost management support earning our allowed ROEs

ELECTRIC RESIDENTIAL GROWTH AND RETAIL VOLUME TRENDS

ADJUSTING FOR LEAP YEAR
2017 RETAIL ELECTRIC SALES INCREASED BY 0.7%



GAS UTILITIES RESIDENTIAL GROWTH TRENDS

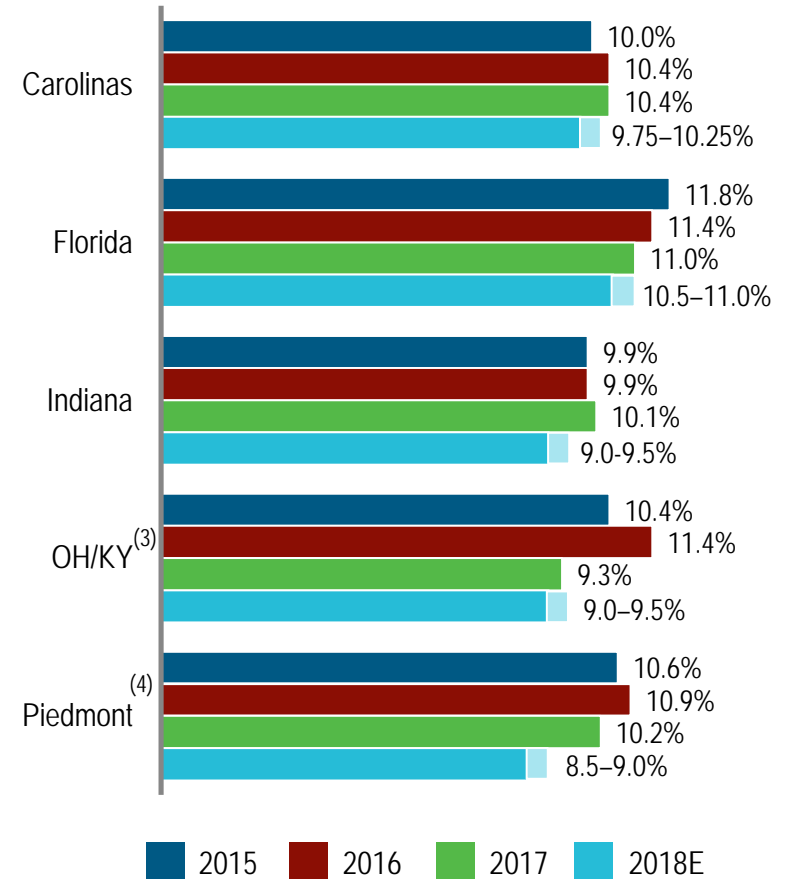


COST STRUCTURE OPTIMIZATION CONTINUES

- Leveraging increased cost flexibility capabilities to keep non-rider recoverable O&M flat from 2014 through 2022⁽¹⁾
- Utilizing cost saving opportunities from increased productivity, mobile technology deployments and demographic shifts in the workforce
- Employing data analytics and digital capabilities to enhance decision making and prioritization

(1) 2014 excludes Piedmont; Piedmont O&M is flat from 2017 (first full year subsequent to acquisition) through 2022

ADJUSTED BOOK ROEs⁽²⁾



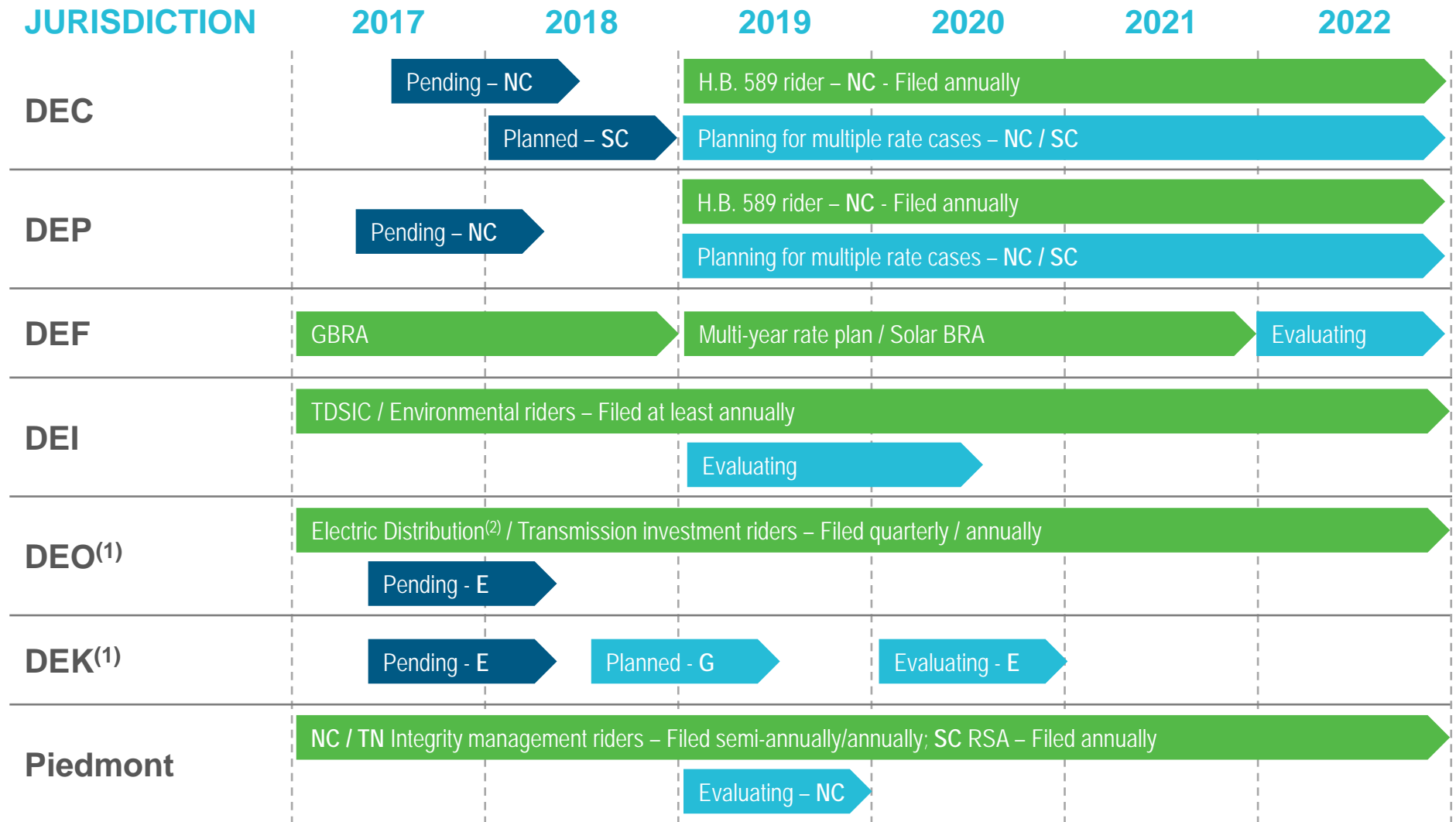
(2) Adjusted book ROEs exclude special items and are based on average book equity less Goodwill. Adjusted ROEs also include wholesale and are not adjusted for the impacts of weather. Regulatory ROEs will differ from Adjusted Book ROEs

(3) Combined electric and gas utilities

(4) Piedmont's 2015 and 2016 ROE's are based on the year ended October 31 (Piedmont's legacy fiscal year-end).

Managing regulatory activity

 Denotes modern recovery mechanism



(1) "E" denotes Electric, "G" denotes Gas

(2) Current distribution riders have term ending May 31, 2018; Requested expansion and continuation of riders filed in DEO electric distribution rate case and Energy Security Plan (ESP) filings.

70 - 75%

EXPECTED
PAYOUT RATIO
THROUGH 2022⁽¹⁾

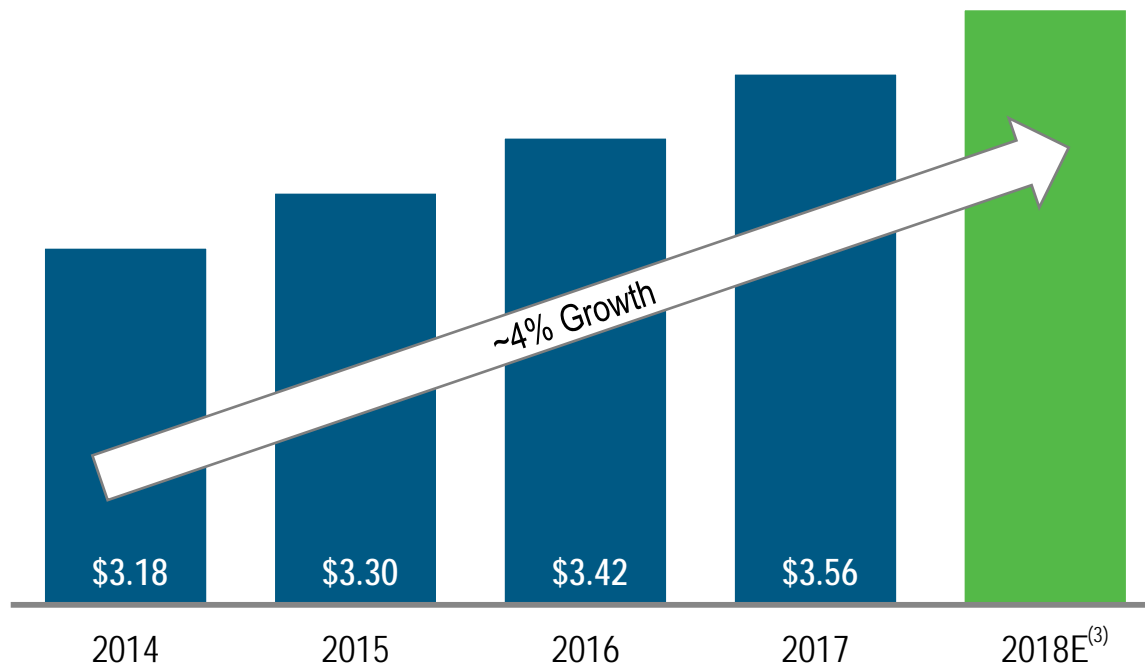
4 - 6%

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

(2) Reflects annualized Q4 dividend per share for each year

(3) Subject to approval by the Board of Directors

DUK
LISTED
NYSE

A SOLID LONG-TERM HOLDING



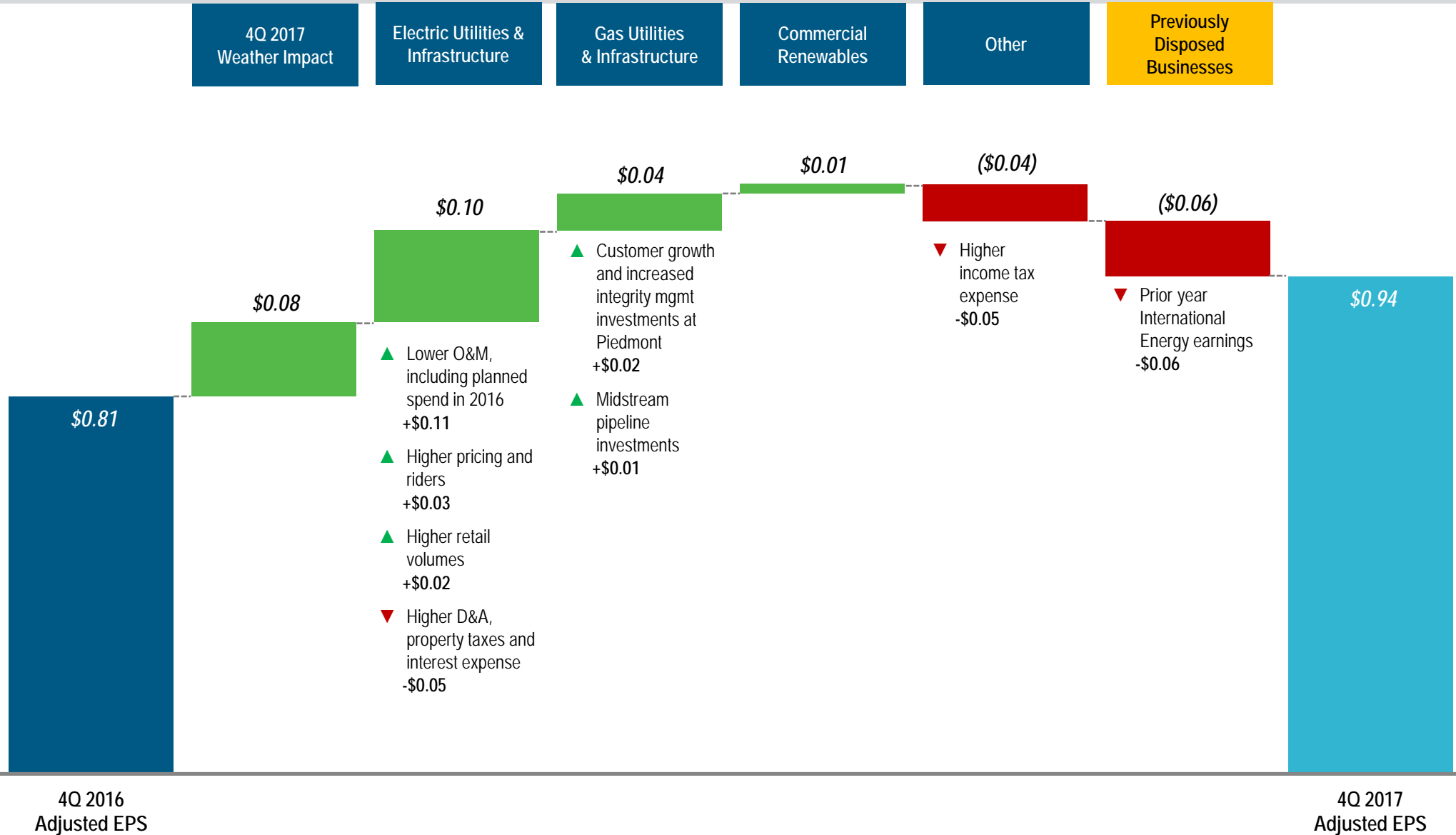
SUPPORTED BY THE STRENGTH OF OUR BALANCE SHEET

- (1) As of Feb. 16, 2018
- (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

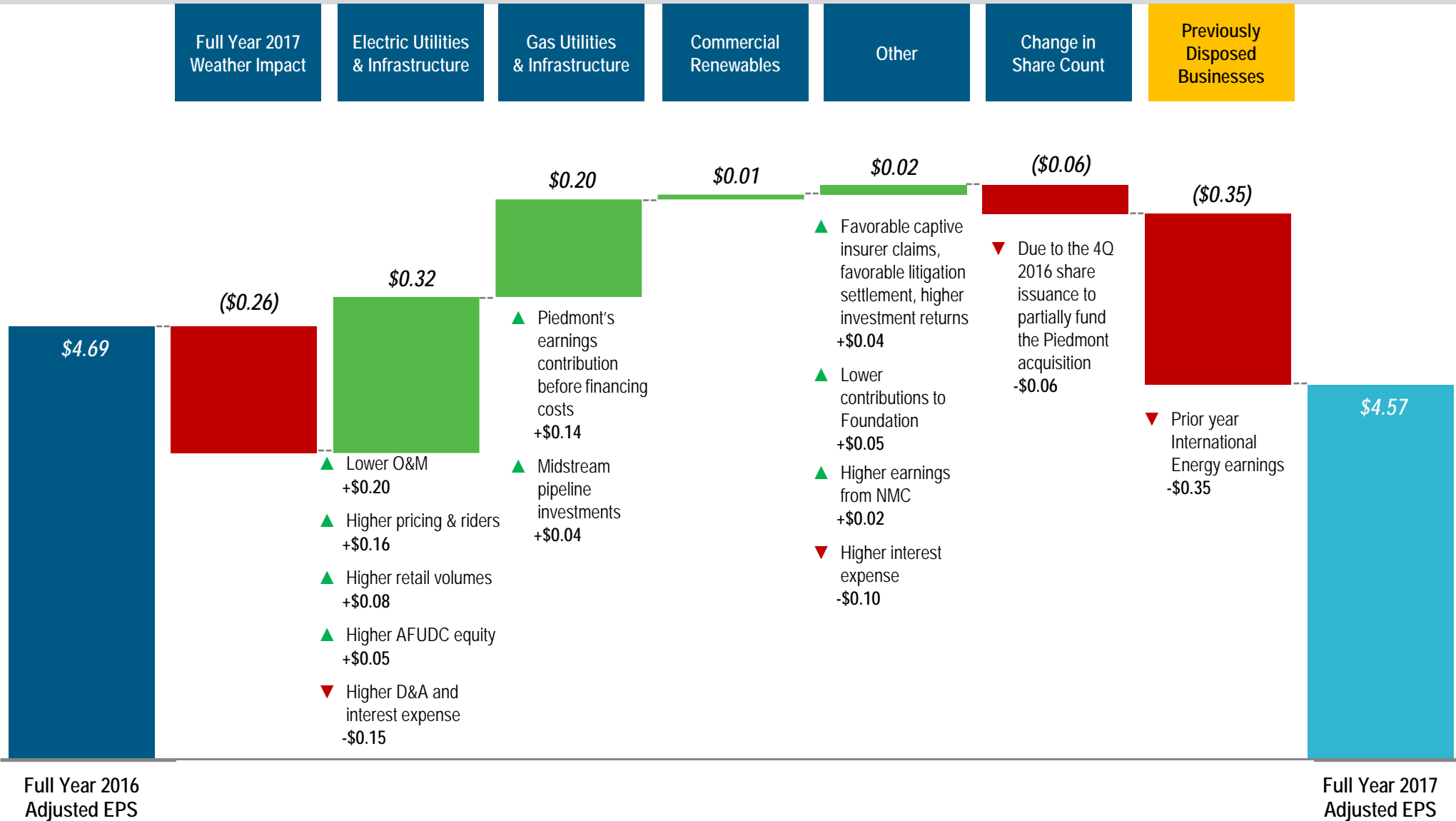
Item	Slide(s)
2017 performance against guidance assumptions	20-25
2018 guidance support	26-37
Financing assumptions	38-45
Regulatory overview	46-51
Segment overviews	52-58
Upcoming events & other	59-63

2017 performance against guidance assumptions

4Q 2016 – 4Q 2017 adjusted diluted EPS waterfall



Full year 2016 – full year 2017 adjusted diluted EPS waterfall



Key 2017 adjusted earnings guidance assumptions

(\$ in millions)	Original 2017 Assumptions ⁽¹⁾	2017 Actual
Adjusted segment income/(expense) ⁽²⁾:		
Electric Utilities & Infrastructure	\$3,109	\$3,077
Gas Utilities & Infrastructure	\$282	\$293
Commercial Renewables	\$99	\$73
Other ⁽³⁾	(\$268)	(\$244)
Duke Energy Consolidated	\$3,222	\$3,199
Additional consolidated information:		
Interest expense	\$1,974	\$1,986
Adjusted effective tax rate	32-33%	31%
Debt AFUDC and capitalized interest	\$124	\$128
AFUDC equity	\$278	\$237
Capital expenditures ⁽⁴⁾⁽⁵⁾	\$9,425	\$8,971
Weighted-average shares outstanding	~700 million	~700 million

(1) As disclosed, in total, 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

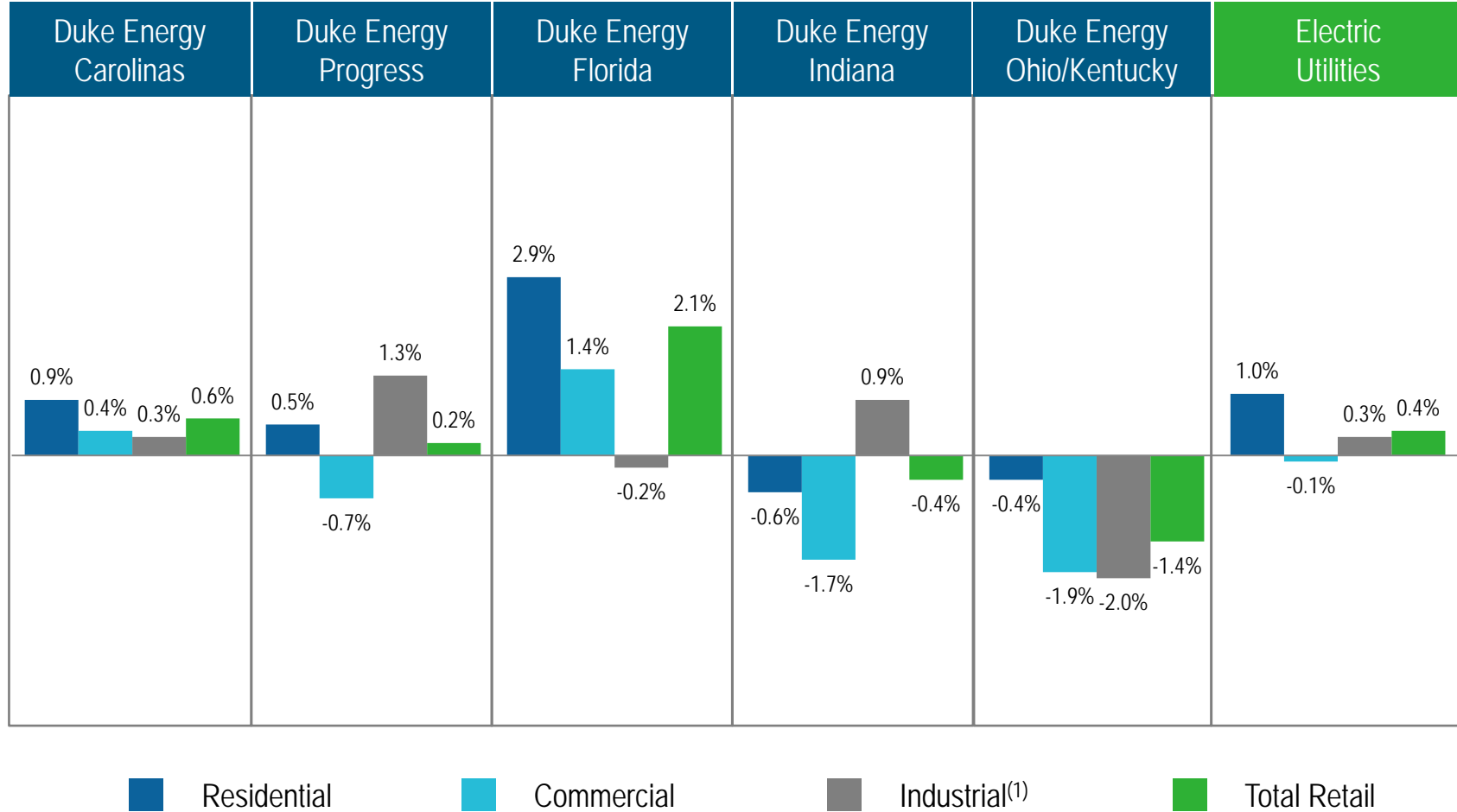
(3) In October 2017, Duke Energy's economic ownership in NMC decreased from 25 percent to 17.5 percent.

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

(5) 2017 Actual includes coal ash closure spend of ~\$500 million that was included in operating cash flows and excludes \$265 million return of capital from the ACP construction financing

Weather normalized volume trends, by electric jurisdiction

Rolling Twelve Months, as of Dec. 31, 2017



(1) Industrial weakness primarily related to a couple large customers at Duke Energy Carolinas who are either closing or restructuring their operations, and some large phosphate customers at Duke Energy Florida who have been impacted by mine closures in the face of weakness in the agriculture industry.

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	\$20	700	\$0.02	(\$70)	699	(\$0.06)
Year-to-Date ⁽²⁾	(\$140)	700	(\$0.12)	\$150	691	\$0.14

4Q 2017	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY	
Heating degree days / Variance from normal	1,196	(5.7%)	1,102	(3.1%)	131	(33.3%)	1,970	(0.6%)	1,842	(0.6%)
Cooling degree days / Variance from normal	83	144.1%	115	113.0%	550	17.5%	38	153.3%	46	187.5%
YTD 2017	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY	
Heating degree days / Variance from normal	2,629	(19.2%)	2,390	(19.0%)	308	(47.6%)	4,589	(13.5%)	4,245	(14.0%)
Cooling degree days / Variance from normal	1,629	7.5%	1,896	14.8%	3,454	9.2%	1,094	(0.6%)	1,079	(1.6%)

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

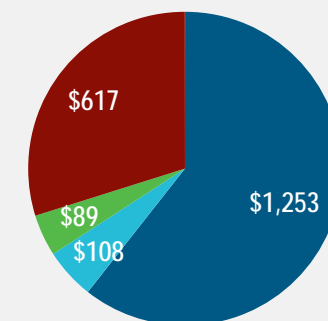
(2) Year-to-date amounts may not foot due to differences in weighted average shares outstanding and/or rounding

2018 guidance support

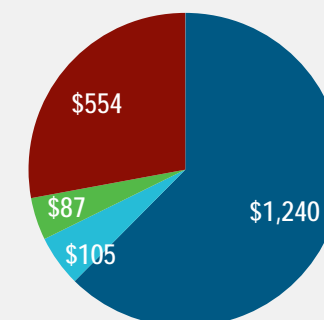
Key 2018 adjusted earnings guidance assumptions

(\$ in millions)	2017 Actual	2018 Assumptions
Adjusted segment income/(expense) ⁽¹⁾:		
Electric Utilities & Infrastructure	\$3,077	\$3,304
Gas Utilities & Infrastructure	\$293	\$319
Commercial Renewables	\$73	\$117
Other	(\$244)	(\$383)
Duke Energy Consolidated	\$3,199	\$3,357
Additional consolidated information:		
Interest expense	\$1,986	\$2,067
Adjusted effective tax rate	31%	15-16%
Debt AFUDC and capitalized interest	\$128	\$152
AFUDC equity	\$237	\$220
Capital expenditures ⁽²⁾⁽³⁾	\$8,971	\$10,950
Weighted-average shares outstanding	~700 million	~714 million

2018 Interest Expense Assumption
(Consolidated Total \$2,067)



2017 Interest Expense
(Consolidated Total \$1,986)

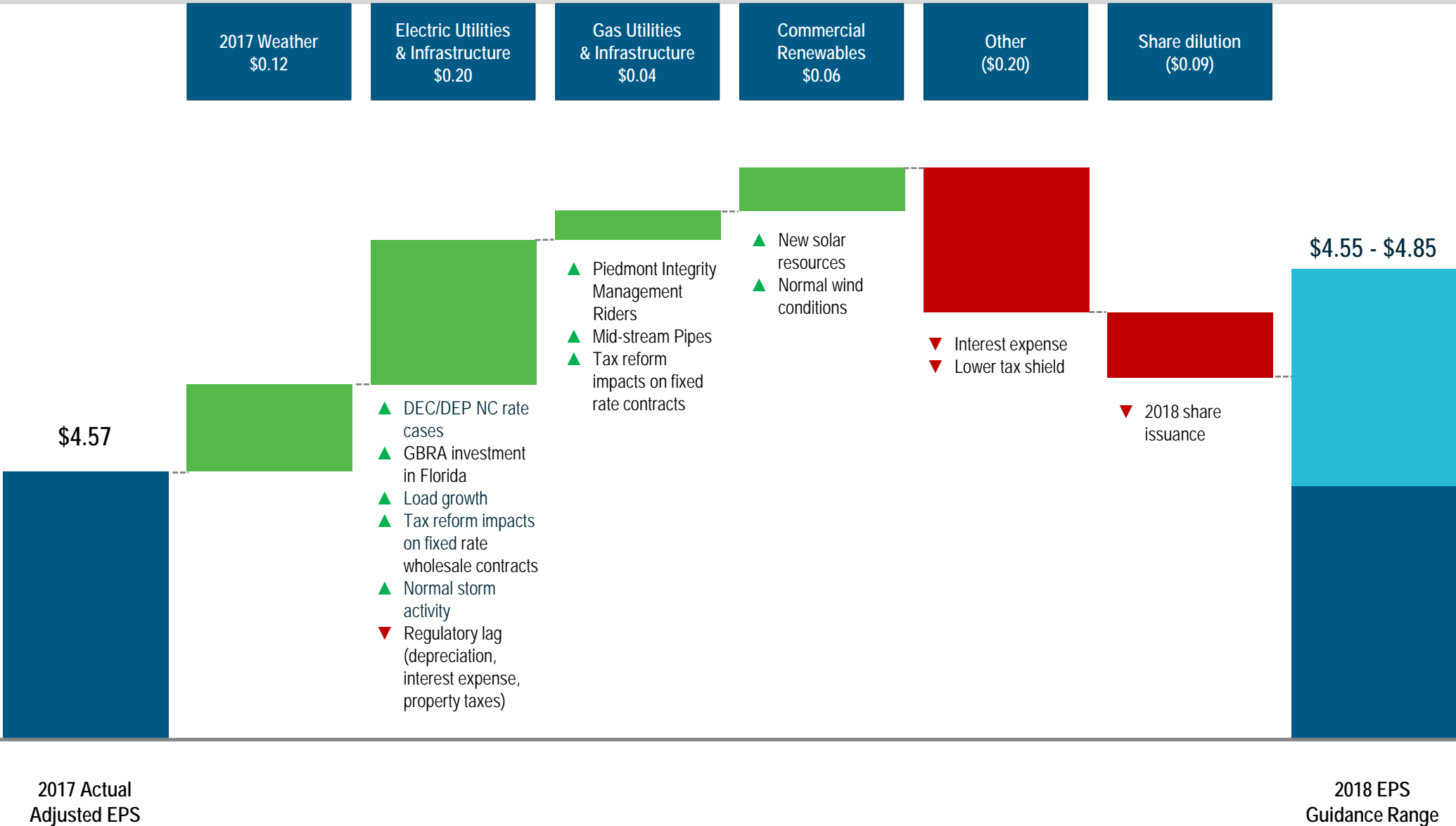


(1) Adjusted net income for 2018 assumptions is based upon the midpoint of the adjusted diluted EPS guidance range of \$4.55 to \$4.85

(2) Includes debt AFUDC and capitalized interest

(3) 2017 Actual includes coal ash closure spend of ~\$500 million that was included in operating cash flows and excludes \$265 million return of capital from the ACP construction financing. 2018 Assumptions includes ~\$700 million of 2018 projected coal ash closure spend

2017 – 2018 adjusted diluted EPS waterfall



Key 2018 earnings sensitivities

Driver		EPS Impact
Electric Utilities & Infrastructure	1% change in earned return on equity	+/- \$0.45
	\$1 billion change in rate base	+/- \$0.07
	1% change in Electric Utilities volumes	+/- \$0.12
Gas Utilities & Infrastructure	1% change in earned return on equity	+/- \$0.05
	\$200 million change in rate base	+/- \$0.01
	1% change in number of new customers	+/- \$0.01
Consolidated	1% change in interest rates ⁽¹⁾	+/- \$0.07

Note: EPS amounts based on forecasted 2018 share count of ~714 million shares

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

- On a consolidated basis, all Duke Energy pension plans are fully funded as of Dec. 31, 2017 on a PBO basis
- Duke Energy's pension funding policy:
 - The company is committed to funding its pension obligations and has consistently contributed above legal minimum requirements
 - The company's plan is to fund its pension service costs and continue to de-risk plan assets as funded status improves to better manage its pension liability and reduce funded status volatility
 - Duke plans have a targeted allocation of 63% fixed-income assets and 37% return-seeking assets

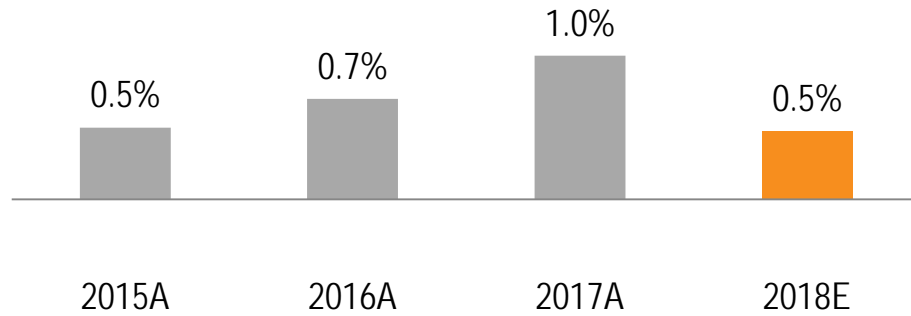
Pension Contributions (\$ in millions)	2016A	2017A	2018E
All plans	\$155	\$19	\$148

- Key 2018 assumptions (as of Dec. 31, 2017):
 - Discount rate: 3.6% for 2018 (vs. 4.1% for 2017)
 - Expected long-term return of 6.50% on plan assets (consistent with 2017 assumption)

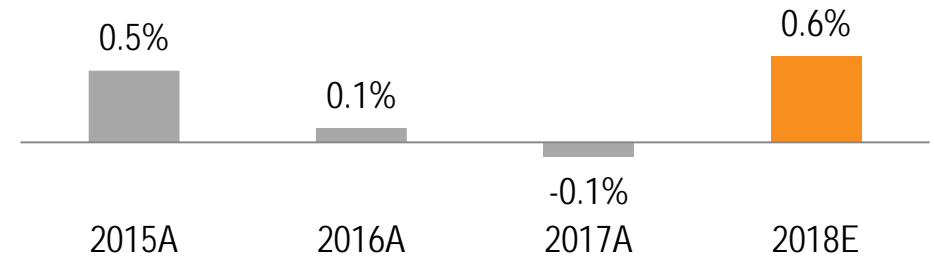
Electric utilities weather-normalized volume trends

(in % change since prior year)

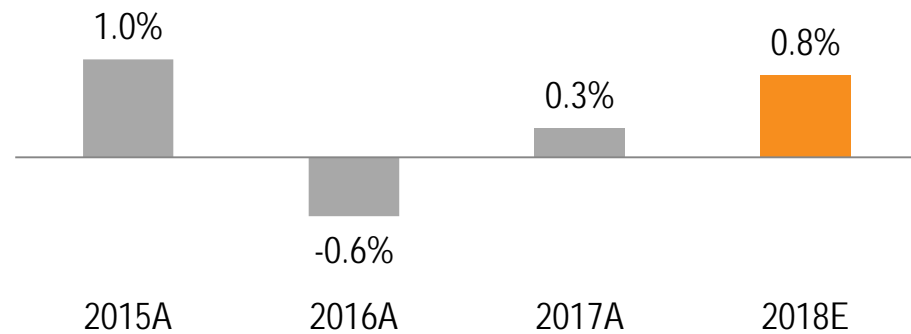
Residential



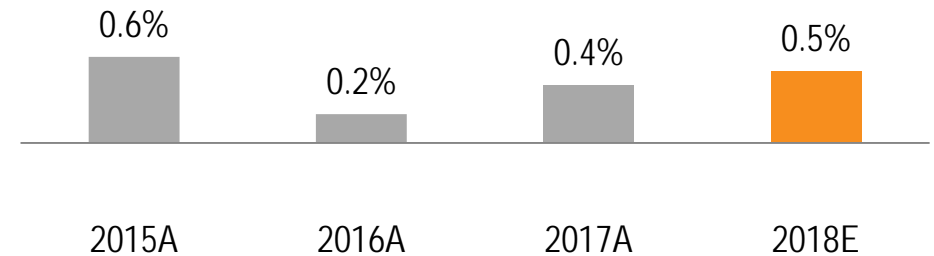
Commercial



Industrial



Electric Utilities Total



Regulated utilities end of year earnings base⁽¹⁾

Electric Utilities Earnings Base

(\$ in billions)	2017A	2018E	2019E	2020E	2021E	2022E
Duke Energy Carolinas	\$22.6	\$23.9	\$24.9	\$26.0	\$26.6	\$27.6
Duke Energy Progress	15.7	16.9	17.9	18.6	19.3	20.2
Duke Energy Florida	12.0	13.3	14.5	15.5	16.5	17.2
Duke Indiana	7.7	8.0	8.4	8.7	8.8	8.9
Duke Ohio – Electric	2.2	2.5	2.9	3.2	3.4	3.6
Duke Kentucky – Electric	0.7	0.9	0.9	1.0	1.0	1.1
Electric Utilities Total⁽²⁾	\$61.0	\$65.4	\$69.6	\$73.0	\$75.7	\$78.5

Gas Utilities Earnings Base

(\$ in billions)	2017A	2018E	2019E	2020E	2021E	2022E
Piedmont	\$3.8	\$4.5	\$5.0	\$5.4	\$5.7	\$6.1
Duke Energy Ohio – Gas	1.3	1.3	1.4	1.5	1.5	1.5
Duke Energy Kentucky - Gas	0.3	0.3	0.3	0.4	0.4	0.4
Natural Gas Transmission	1.0	2.2	3.4	3.5	3.5	3.8
Gas Utilities Total⁽²⁾	\$6.3	\$8.3	\$10.2	\$10.7	\$11.1	\$11.8

(1) 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)

Capital Expenditures	2017A	2018E	2019E	2020E	2021E	2022E	2018 - 2022
Electric Generation ⁽²⁾	\$ 1,545	1,825	1,425	1,175	1,250	1,000	\$ 6,675
Electric Transmission	994	950	1,350	1,100	1,075	1,100	5,575
Electric Distribution	1,478	2,125	2,625	2,850	2,600	2,950	13,150
Environmental ⁽³⁾	1,086	1,300	675	425	550	450	3,400
Electric Utilities & Infrastructure Growth Capital	\$ 5,104	\$ 6,200	\$ 6,075	\$ 5,550	\$ 5,475	\$ 5,500	\$ 28,800
Maintenance	2,429	1,975	1,825	1,825	1,550	1,650	8,825
Total Electric Utilities & Infrastructure Capital	\$ 7,532	\$ 8,175	\$ 7,900	\$ 7,375	\$ 7,025	\$ 7,150	\$ 37,625
Commercial Renewables ⁽⁴⁾	92	125	450	475	200	250	1,500
Total Commercial Renewables Capital	\$ 92	\$ 125	\$ 450	\$ 475	\$ 200	\$ 250	\$ 1,500
Midstream Pipelines ⁽⁵⁾	\$ 407	1,250	1,300	175	225	475	3,425
LDC - Non-Rider	350	550	525	375	275	275	2,000
LDC - Rider	275	300	275	250	225	225	1,275
Gas Utilities & Infrastructure Growth Capital	\$ 1,033	\$ 2,100	\$ 2,100	\$ 800	\$ 725	\$ 975	\$ 6,700
Maintenance	139	250	175	150	175	150	900
Total Gas Utilities & Infrastructure Capital	\$ 1,172	\$ 2,350	\$ 2,275	\$ 950	\$ 900	\$ 1,125	\$ 7,600
Other ⁽⁶⁾	175	300	350	250	275	250	1,425
Total Duke Energy	\$ 8,971	\$ 10,950	\$ 10,975	\$ 9,050	\$ 8,400	\$ 8,775	\$ 48,150

(1) Amounts include AFUDC debt or capitalized interest

(2) Amount includes nuclear fuel of ~\$2.2B from 2018-2022

(3) 2017 actual amounts include ~\$500 million in coal ash closure spending that was included in operating cash flows

(4) Amounts are net of assumed tax equity financings

(5) Investment level will depend upon how the project and Duke investment are financed; 2017 actual amounts exclude \$265 million return of capital from the ACP construction financing

(6) Primarily IT and real estate related costs

Capital expenditures by utility⁽¹⁾

(\$ in millions)

Duke Energy Carolinas	2017A	2018E	2019E	2020E	2021E	2022E	2018 - 2022
Electric Generation	\$ 461	\$ 500	\$ 600	\$ 475	\$ 400	\$ 350	\$ 2,325
Electric Transmission	78	175	250	225	200	225	1,075
Electric Distribution	639	825	925	1,025	1,025	1,200	5,000
Environmental ⁽²⁾	517	625	150	75	125	150	1,125
Electric Utilities & Infrastructure Growth Capital	\$ 1,695	\$ 2,125	\$ 1,925	\$ 1,800	\$ 1,750	\$ 1,925	\$ 9,525
Maintenance	1,108	725	600	700	600	650	3,275
Total Duke Energy Carolinas	\$ 2,803	\$ 2,850	\$ 2,525	\$ 2,500	\$ 2,350	\$ 2,575	\$ 12,800

Duke Energy Progress	2017A	2018E	2019E	2020E	2021E	2022E	2018 - 2022
Electric Generation	\$ 450	\$ 775	\$ 425	\$ 250	\$ 450	\$ 475	\$ 2,375
Electric Transmission	32	125	175	50	150	150	650
Electric Distribution	389	475	725	775	650	875	3,500
Environmental ⁽³⁾	273	475	425	250	225	125	1,500
Electric Utilities & Infrastructure Growth Capital	\$ 1,142	\$ 1,850	\$ 1,750	\$ 1,325	\$ 1,475	\$ 1,625	\$ 8,025
Maintenance	763	500	525	500	525	475	2,525
Total Duke Energy Progress	\$ 1,906	\$ 2,350	\$ 2,275	\$ 1,825	\$ 2,000	\$ 2,100	\$ 10,550

(1) Amounts include AFUDC debt

(2) 2017 actual amounts include \$271 million in coal ash closure spending that was included in operating cash flows

(3) 2017 actual amounts include \$191 million in coal ash closure spending that was included in operating cash flows

Capital expenditures by utility (continued)⁽¹⁾

(\$ in millions)

Duke Energy Florida	2017A	2018E	2019E	2020E	2021E	2022E	2018 - 2022
Electric Generation	\$ 565	\$ 400	\$ 250	\$ 400	\$ 375	\$ 125	\$ 1,550
Electric Transmission	358	275	525	550	475	475	2,300
Electric Distribution	258	325	425	450	400	400	2,000
Environmental	34	50	25	-	25	50	150
Electric Utilities & Infrastructure Growth Capital	\$ 1,216	\$ 1,050	\$ 1,225	\$ 1,400	\$ 1,275	\$ 1,050	\$ 6,000
Maintenance	222	500	375	300	250	300	1,725
Total Duke Energy Florida	\$ 1,438	\$ 1,550	\$ 1,600	\$ 1,700	\$ 1,525	\$ 1,350	\$ 7,725

Duke Energy Indiana	2017A	2018E	2019E	2020E	2021E	2022E	2018 - 2022
Electric Generation	\$ 57	\$ 100	\$ 125	\$ 75	\$ 25	\$ 25	\$ 350
Electric Transmission	248	200	225	150	150	150	875
Electric Distribution	129	200	200	250	225	200	1,075
Environmental ⁽²⁾	222	100	75	100	150	125	550
Electric Utilities & Infrastructure Growth Capital	\$ 656	\$ 600	\$ 625	\$ 575	\$ 550	\$ 500	\$ 2,850
Maintenance	225	150	225	225	150	150	900
Total Duke Energy Indiana	\$ 881	\$ 750	\$ 850	\$ 800	\$ 700	\$ 650	\$ 3,750

(1) Amounts include AFUDC debt

(2) 2017 actual amounts include \$44 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	2017A	2018E	2019E	2020E	2021E	2022E	2018 - 2022
Electric Generation	\$ 11	\$ 25	\$ 25	\$ -	\$ -	\$ -	\$ 50
Electric Transmission	274	175	175	125	75	75	625
Electric Distribution	64	300	350	350	300	275	1,575
Environmental ⁽²⁾	41	75	-	-	25	-	100
Electric Utilities & Infrastructure Growth Capital	\$ 390	\$ 575	\$ 550	\$ 475	\$ 400	\$ 350	\$ 2,350
Maintenance	120	100	75	100	50	75	400
Total DEO/DEK Electric	\$ 510	\$ 675	\$ 625	\$ 575	\$ 450	\$ 425	\$ 2,750

Duke Energy OH/KY Gas	2017A	2018E	2019E	2020E	2021E	2022E	2018 - 2022
LDC - Non-Rider	\$ 82	50	100	125	50	25	\$ 350
LDC - Rider	9	25	-	-	-	-	25
Gas Utilities & Infrastructure Growth Capital	\$ 91	\$ 75	\$ 100	\$ 125	\$ 50	\$ 25	\$ 375
Maintenance	104	100	75	50	50	75	350
Total DEO/DEK Gas	\$ 195	\$ 175	\$ 175	\$ 175	\$ 100	\$ 100	\$ 725

Piedmont	2017A	2018E	2019E	2020E	2021E	2022E	2018 - 2022
LDC - Non-Rider	\$ 268	500	425	250	225	250	\$ 1,650
LDC - Rider	267	275	275	250	225	225	1,250
Gas Utilities & Infrastructure Growth Capital	\$ 535	\$ 775	\$ 700	\$ 500	\$ 450	\$ 475	\$ 2,900
Maintenance	35	150	100	75	125	100	550
Total Piedmont Gas	\$ 570	\$ 925	\$ 800	\$ 575	\$ 575	\$ 575	\$ 3,450

(1) Amounts include AFUDC debt

(2) 2017 actual amounts include \$7 million in coal ash closure spending that was included in operating cash flows

Environmental compliance expenditures by category

(\$ in millions)

Category	2018 – 2022
Air (MATS)	\$110
Water (316b)	\$390
Waste (conversions) ⁽¹⁾	\$420
Waste (closure)	\$2,480
Total	\$3,400

Coal Ash Closure Costs	Total Project Costs	Spend To Date ⁽²⁾	2018 – 2022 Plan
Duke Energy Carolinas	\$2,490	\$725	\$740
Duke Energy Progress	\$2,630	\$500	\$1,260
Duke Energy Indiana	\$900	\$110	\$450
Duke Energy Florida	\$20	--	\$10
Duke Energy Kentucky	\$60	\$15	\$20
Total	\$6,100	\$1,350	\$2,480

Expenditures for waste conversion to dry ash handling by jurisdiction:

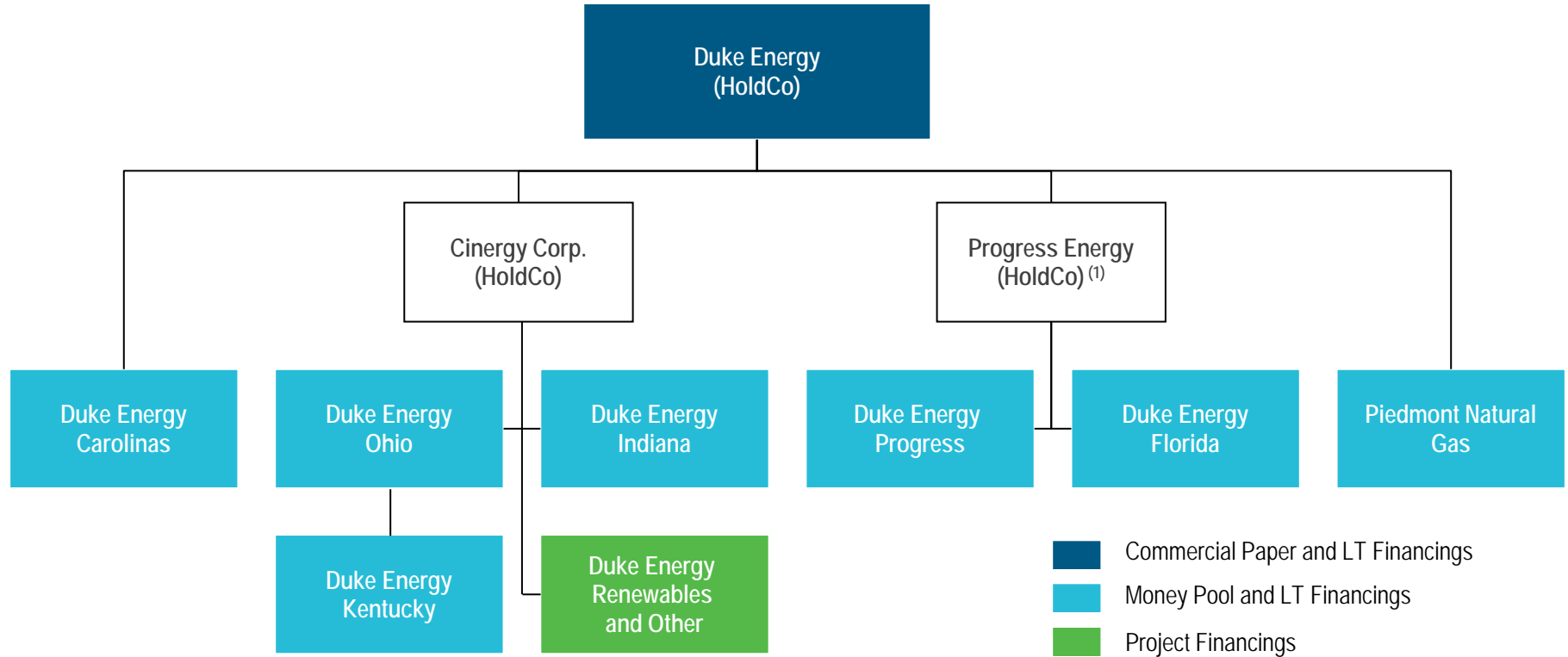
- Carolinas: ~\$360 million
- Midwest: ~\$50 million
- Florida: ~\$10 million

(1) Includes estimated wastewater treatment compliance expenditures associated with Steam Effluent Limitation Guidelines (ELG)

(2) As of Dec. 31, 2017

Financing assumptions

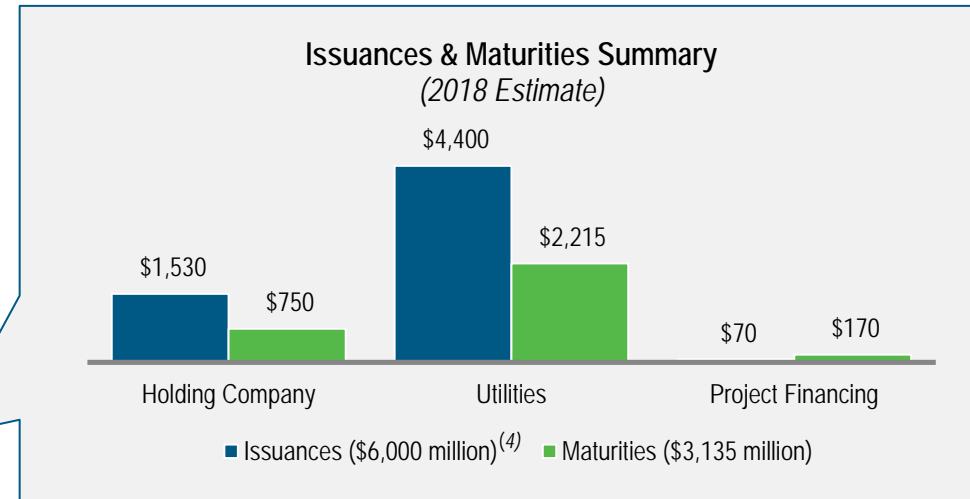
Simplified financing structure



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

Forecasted 2018 Summary Cash Flows⁽¹⁾

Adjusted net income ⁽²⁾	\$ 3,360
Depreciation & amortization	4,675
Deferred and accrued taxes	820
Other sources / (uses), net ⁽³⁾	(355)
Primary sources	8,500
Capital expenditures	(10,950)
Dividends (subject to Board of Directors discretion)	(2,575)
Primary uses	(13,525)
Uses in excess of sources	(5,025)
Net Change in debt	2,865
Common equity issuance	2,000
Net Change in Cash	(160)



(1) Financing plan is subject to change, based on circumstances encountered throughout the year

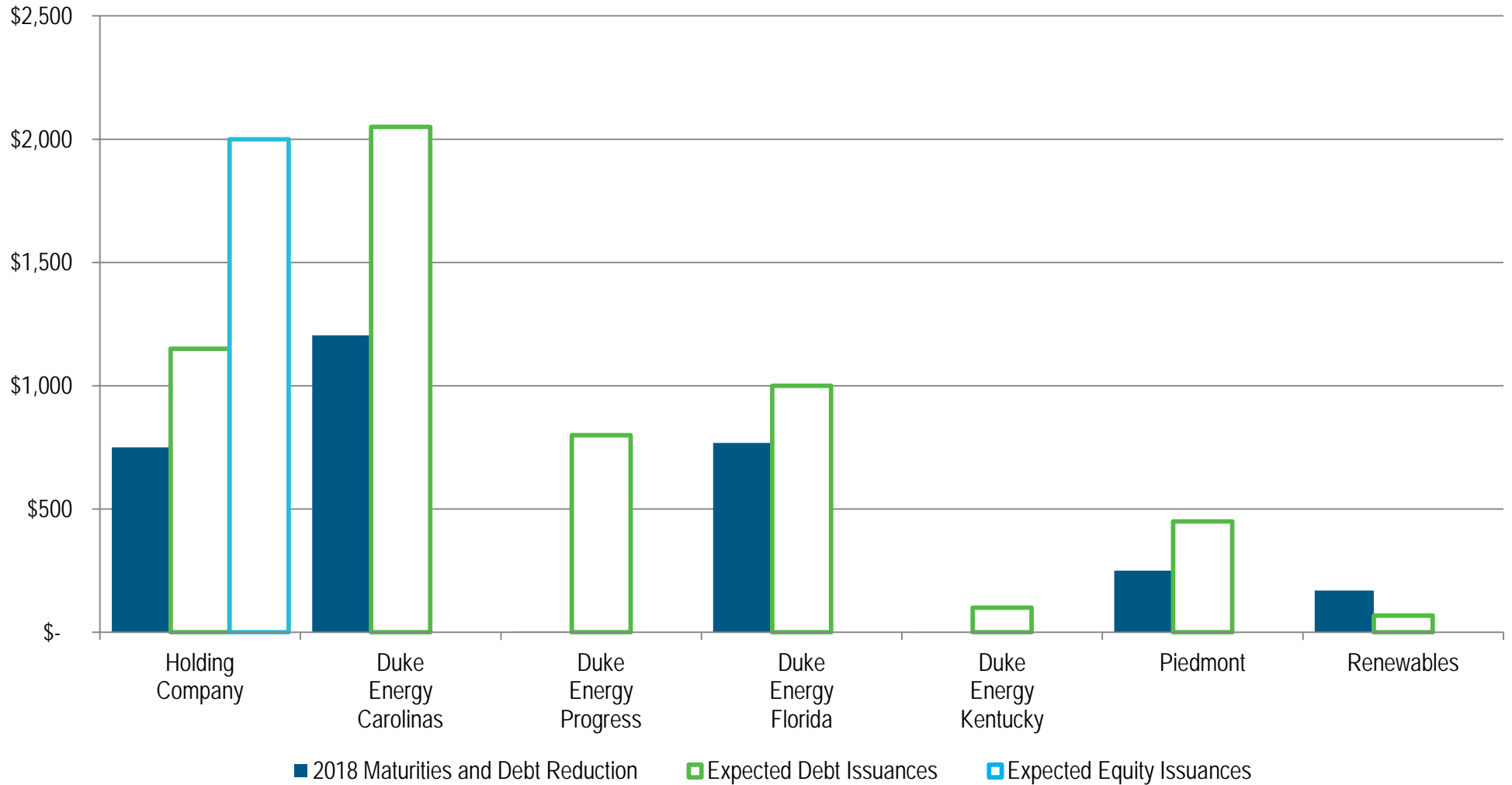
(2) Based upon the midpoint of the 2018 guidance range

(3) Includes changes in working capital, AFUDC equity, and pension contributions

(4) Includes net changes in Commercial Paper

2018 financing plan⁽¹⁾⁽²⁾

(\$ in millions)



(1) Represents expected long-term debt and common equity capital raising during 2018

(2) There are no debt maturities or expected financings at Duke Energy Indiana or Duke Energy Ohio in 2018

Liquidity summary (as of Dec. 31, 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	\$ 800	\$ 600	\$ 300	\$ 150	\$ 700	\$ 8,000
Less: Notes payable and commercial paper ⁽²⁾	(561)	(371)	(314)	-	(260)	(20)	(25)	(248)	(1,799)
Coal Ash Set-Aside	-	(250)	(250)	-	-	-	-	-	(500)
Outstanding letters of credit (LOCs)	(54)	(4)	(2)	(1)	-	-	-	(2)	(63)
Tax-exempt bonds	-	-	-	-	(81)	-	-	-	(81)
Available capacity	\$ 2,235	\$ 725	\$ 684	\$ 799	\$ 259	\$ 280	\$ 125	\$ 450	\$ 5,557
Other Revolving Credit Facilities ⁽³⁾	\$ 1,000								\$ 1,000
Less: Borrowings Under Credit Facilities	(500)								(500)
Available capacity	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Cash & short-term investments									299
Total available liquidity									\$ 6,356

(1) Master Credit Facility supports tax-exempt put bonds, LOCs and the Duke Energy commercial paper program of \$4.85 billion

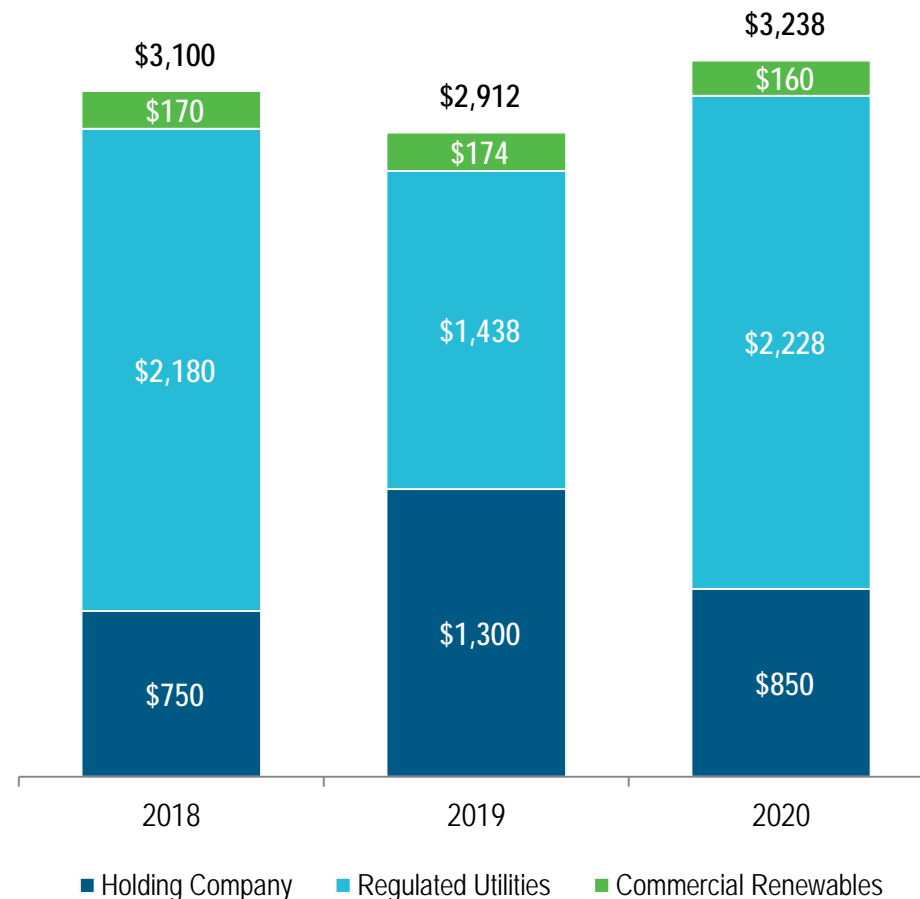
(2) Includes permanent layer of commercial paper of \$625 million, which is classified as long-term debt

(3) Borrowings under this facility will be used for general corporate purposes.

Regulated Utilities Maturities Detail

(\$ in millions)

	2018	2019	2020
Duke Energy Carolinas ⁽²⁾	\$ 1,204	\$ 5	\$ 905
Duke Energy Progress ⁽²⁾	3	603	304
Duke Energy Florida ⁽²⁾⁽³⁾	715	216	518
Duke Energy Indiana	2	60	500
Duke Energy Ohio	4	453	-
Duke Energy Kentucky	2	100	1
Piedmont Natural Gas	250	-	-
Regulated Utilities	\$ 2,180	\$ 1,438	\$ 2,228



(1) Schedule for long-term debt outstanding at Dec. 31, 2017. Excludes amortization of noncash purchase accounting adjustments

(2) Excludes securitized receivables credit facilities maturing in 2018 and 2019 which are expected to be renewed

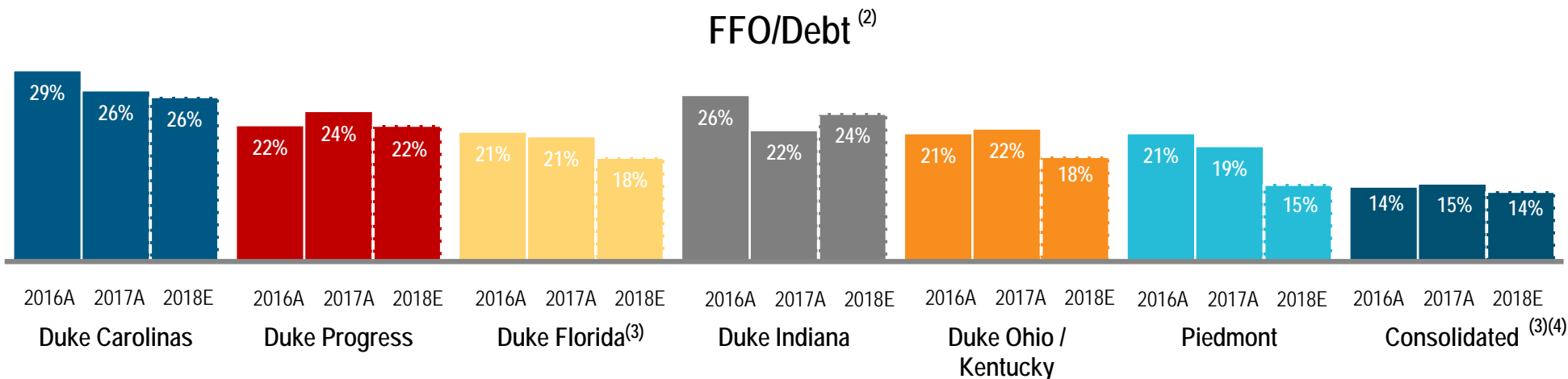
(3) Excludes amortization of CR3 securitization

Holding Companies

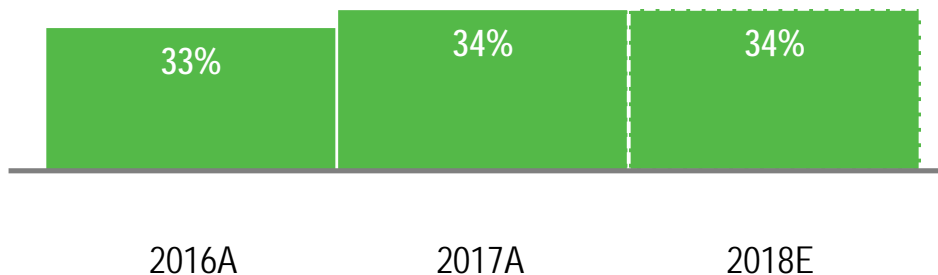
	Moody's	S&P	Fitch
DUKE ENERGY	Negative	Stable	Negative
Senior Unsecured Debt	Baa1	BBB+	BBB+
Commercial Paper	P-2	A-2	F-2
PROGRESS ENERGY	Stable	Stable	Stable
Senior Unsecured Debt	Baa2	BBB+	BBB

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	Negative	Stable
Senior Unsecured Debt	A2	A-



HoldCo Debt / Total Debt



(1) Amounts do not include all adjustments that may be made by the rating agencies

(2) FFO excludes asset retirement obligation costs (after tax amount calculated using a 38% tax rate as a simplifying assumption for 2016 and 2017, tax rate reduced to 22% in 2018)

(3) Assumes CR-3 securitization treated as off credit

(4) Consolidated metrics exclude increases to debt associated with purchase accounting

Regulatory overview

Base rate case activity and timeline

	Pre-Filing Notice	Rate Case Filed	Intervenor Testimony	Duke Rebuttal Testimony	Evidentiary Hearings Begin	Notes
DEP NC	May 2, 2017	June 1, 2017	Oct. 20, 2017	Nov. 6, 2017	Nov. 27, 2017	<ul style="list-style-type: none"> • Docket: E-2 Sub 1142 • Base rate case • Partial settlement with NCUC Public Staff filed Nov. 22, 2017 • Rates effective after NCUC order, expected by March 1
DEC NC	July 25, 2017	Aug. 25, 2017	Jan. 23, 2018	Feb. 6, 2018	Feb. 27, 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	--(1)	--(1)	<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. 1, 2017	Dec. 27, 2017	Feb. 14, 2018	March 6, 2018	<ul style="list-style-type: none"> • Docket: Case No. 2017-00321 • Base rate case • Rates effective April 2018, if approved

(1) On Feb. 14, 2018 the procedural schedule for the DEO rate case was suspended by order of the PUCO. Settlement discussions are ongoing, and parties are required to file a report by March 9th informing the Commission on progress.

Overview of state commissions by jurisdiction

	North Carolina	South Carolina	Florida	Indiana	Ohio	Kentucky	Tennessee
Number of Commissioners	7	7	5	5	5	3	5
Term	6-year terms	4-year terms	4-year terms	4-year terms	5-year terms	4-year terms	6-year terms
Appointed/ Elected	Appointed by Governor	Elected by the General Assembly	Appointed by Governor	Appointed by Governor	Appointed by Governor	Appointed by Governor	Appointed by Governor and Legislature
Chair	Ed Finley	Swain Whitfield	Art Graham	Vacant as of January 2018 retirement (Jim Atterholt)	Asim Haque	Michael Schmitt	David Jones
Term Expires	June 2019	June 2020	January 2022	January 2020	April 2021	June 2019	July 2018
Other Commissioners	<ul style="list-style-type: none"> ▪ ToNola Brown-Bland ▪ Jerry Dockham ▪ James Patterson ▪ Lyons Gray ▪ Dan Clodfelter ▪ Charlotte Mitchell 	<ul style="list-style-type: none"> ▪ Comer Randall ▪ Butch Howard ▪ Lib Fleming ▪ Elliott Elam ▪ G. O' Neal Hamilton ▪ Robert Bockman 	<ul style="list-style-type: none"> ▪ Art Graham ▪ Julie Brown ▪ Donald Polmann ▪ Gary Clark ▪ Andrew Fay 	<ul style="list-style-type: none"> ▪ Sarah Freeman ▪ Jim Huston ▪ Angela Weber (retiring April 1) ▪ David Ziegner 	<ul style="list-style-type: none"> ▪ Lawrence Friedman ▪ Beth Trombold ▪ Thomas Johnson ▪ Daniel Conway 	<ul style="list-style-type: none"> ▪ Robert Cicero ▪ Talina Mathews 	<ul style="list-style-type: none"> ▪ Robin Morrison ▪ Kenneth Hill ▪ Herbert Hilliard ▪ Keith Jordan

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)		\$11.5B ⁽²⁾	\$7.0 B ⁽³⁾	\$1.3 B ⁽⁴⁾	\$600 M ⁽⁵⁾
Wholesale Rate Base	\$1.6 B (DEC) 3Q 2017 \$3.1 B (DEP) 3Q 2017		\$1.4 B ⁽²⁾	\$550 M	\$0.4 B (trans. only)	\$0
Allowed ROE	10.20% (DEC & DEP)	10.20% (DEC) 10.10% (DEP)	10.50% ⁽⁶⁾	10.50%	9.84% - Dist 11.38% - Trans	N/A per settlement
Allowed Equity	53.0% (DEC & DEP)	53.0% (DEC & DEP)	40.23% ⁽⁷⁾	44.44% ⁽⁸⁾	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)	1/1/18	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 2017. Retail rate base includes amounts recovered in base rates of \$11B and amounts recovered in trackers of \$0.5B.

(3) As of Dec. 31, 2017; includes amounts being recovered in base rates of \$3.7B, amounts being recovered in environmental trackers of \$1.0B, and amounts being recovered in IGCC trackers of \$2.3B

(4) Per the pending application, as of June 30, 2016.

(5) Kentucky allows recovery on total capitalization instead of rate base

(6) Represents the mid-point of an authorized range from 9.5% to 11.5%

(7) Florida's capital structure includes accumulated deferred income taxes (ADIT), customer deposits and investment tax credits (ITC) and is as of Dec. 31, 2018. Excluding these items, the capital structure approximates 53% equity

(8) 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	9 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	\$304	\$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	11/1/17 ⁽³⁾	3/1/12	12/1/13	1/1/10
Significant Rider Mechanisms	Margin Decoupling Rider Integrity Management Rider Fuel Clause	Rate Stabilization Adj. Weather Normalization Adj. Fuel Clause	Weather Normalization Adj. Integrity Management Rider Fuel Clause	AMRP SmartGrid 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)

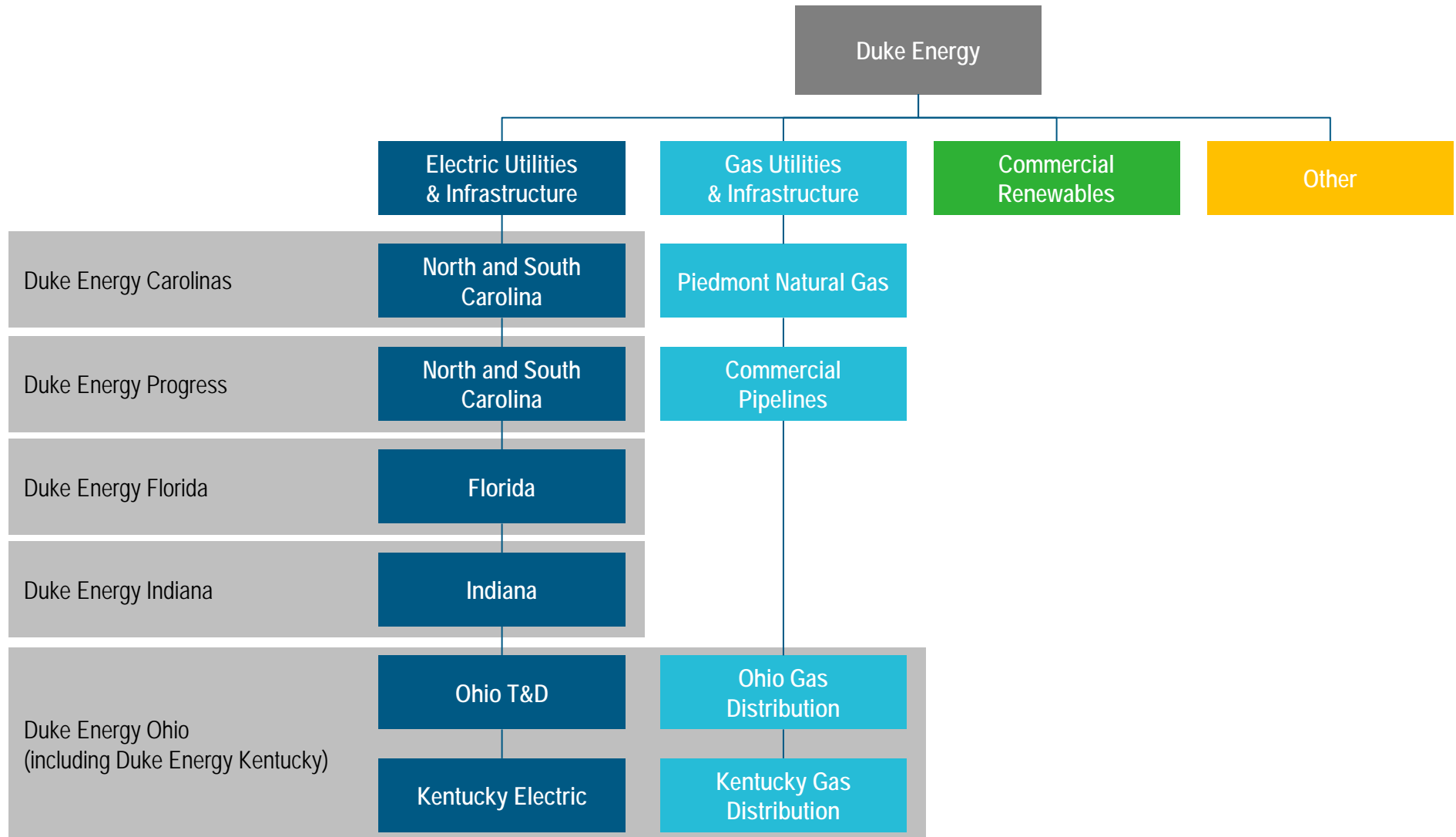
(2) Reflects only the investment subject to KPSC jurisdiction

(3) Rates refreshed annually under the South Carolina Rate Stabilization Act (RSA)

(4) Recovers incremental costs for the Accelerated Service Line Replacement (ASRP) Program

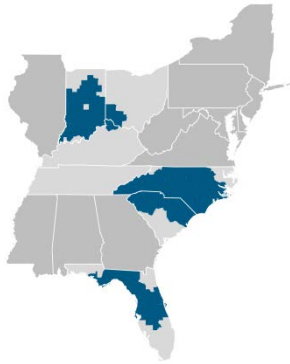
Segment Overviews

Duke Energy business segment structure



Complementary businesses with strong growth opportunities

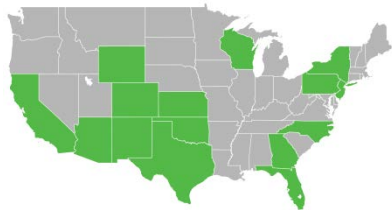
ELECTRIC UTILITIES & INFRASTRUCTURE



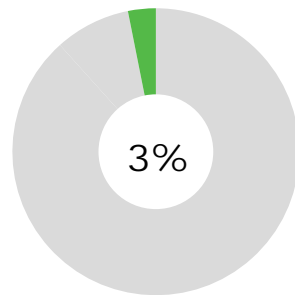
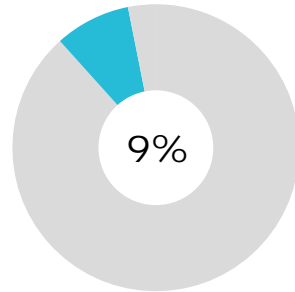
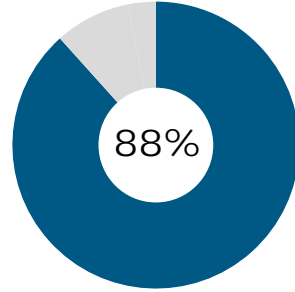
GAS UTILITIES & INFRASTRUCTURE



COMMERCIAL RENEWABLES



2018 ADJUSTED EPS CONTRIBUTION⁽¹⁾



2018-2022 GROWTH CAPITAL

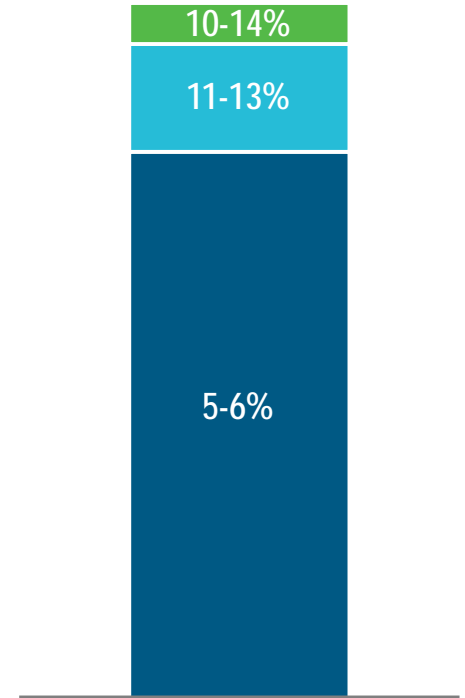
\$28.8 B

\$6.7 B

\$1.5 B

2017 – 2022 ADJUSTED EPS CAGR⁽²⁾

Consolidated
4-6%



- Electric Utilities & Infrastructure
- Gas Utilities & Infrastructure
- Commercial Renewables

(1) Based upon the midpoint of the 2018 adjusted diluted EPS guidance range of \$4.55-\$4.85 per share; excludes the impact of Other

(2) Based upon the midpoint of the 2017 adjusted diluted EPS guidance range of \$4.50-\$4.70 per share; consolidated growth rate includes the impact of Other

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

HEADQUARTERED IN
CHARLOTTE, NC

DUK
LISTED
NYSE

A FORTUNE 125 COMPANY

\$54 B

MARKET CAP
(AS OF 2/16/2017)

\$138 B

TOTAL ASSETS
(AS OF 12/31/2017)

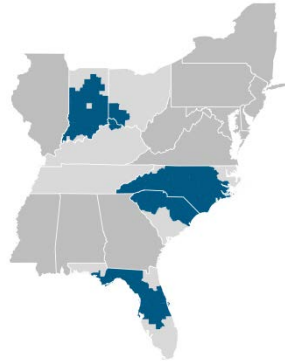
29 K

EMPLOYEES
(AS OF 12/31/2017)

52 GWs

TOTAL GENERATING CAPACITY
(AS OF 12/31/2017)

ELECTRIC UTILITIES & INFRASTRUCTURE



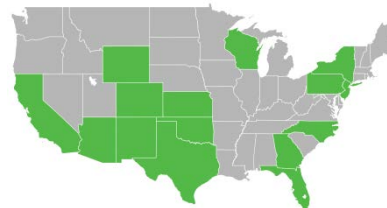
- Operating in six constructive jurisdictions, with attractive allowed ROEs, serving 7.6 million retail customers
- Below average customer rates⁽¹⁾
- Balanced generation portfolio
- Industry-leading safety performance, as recognized by EEI

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

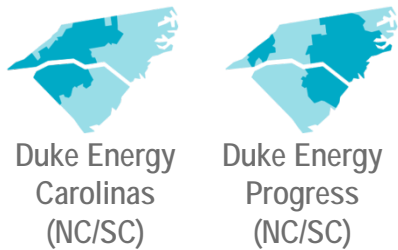


- Invested more than \$5 billion over the past 10 years
- Approximately 3 GWs of wind and solar on-line
- Long-term Power Purchase Agreements with creditworthy counterparties

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

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

CAROLINAS



FLORIDA



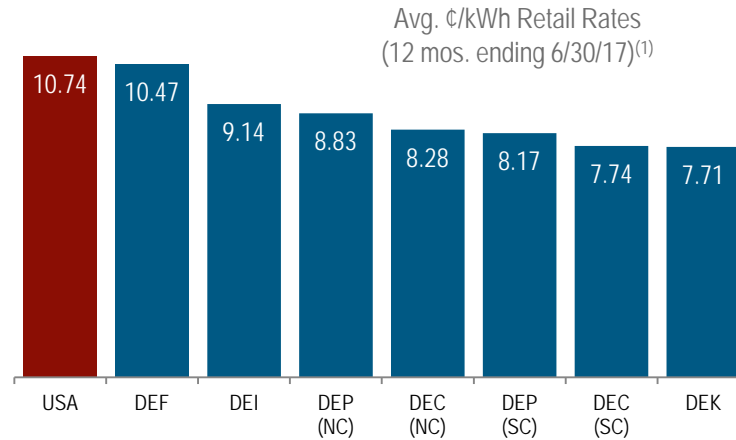
Duke Energy Florida

MIDWEST

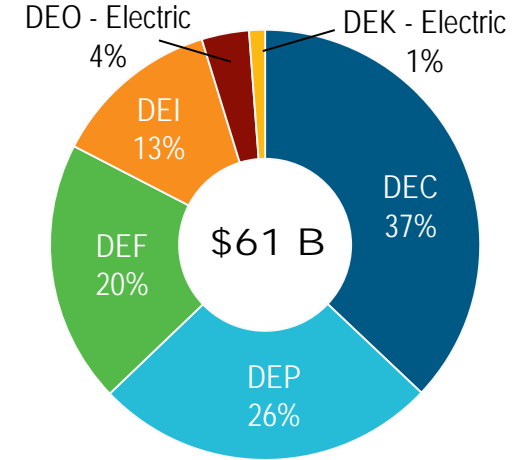


Duke Energy Indiana Duke Energy Ohio / Kentucky

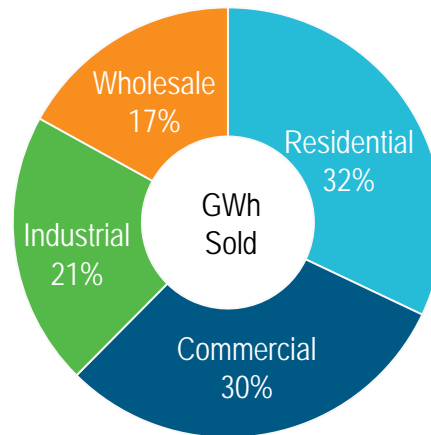
COMPETITIVE CUSTOMER RATES



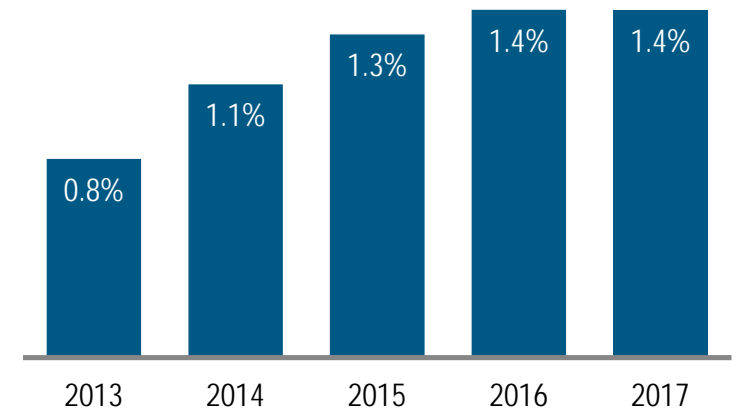
REGULATED ELECTRIC 2017 EARNINGS BASE



BALANCED CUSTOMER MIX

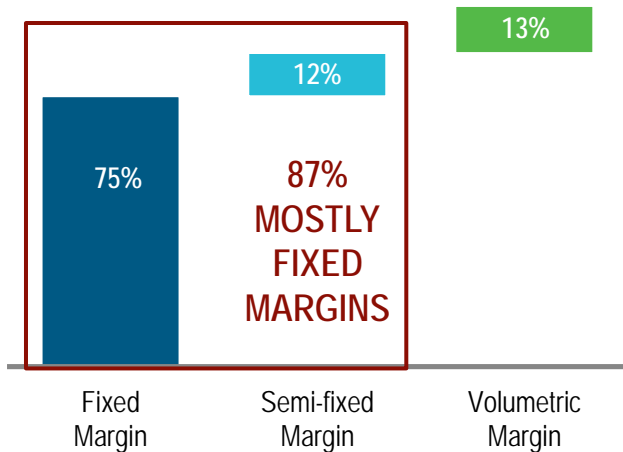


STRONG RESIDENTIAL CUSTOMER GROWTH

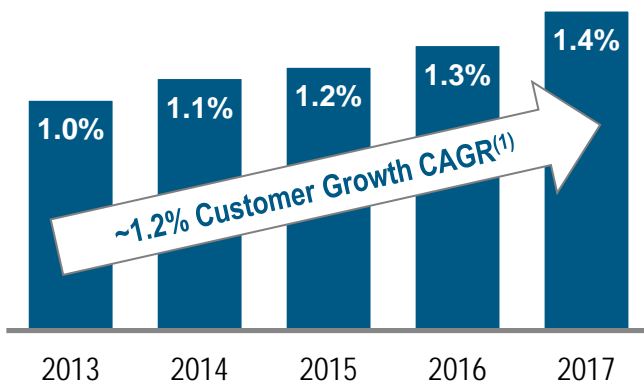


(1) Vertically integrated utilities only. Source: EEI Typical Bills and Avg. Rates Report Summer 2017

GAS UTILITIES WITH LOW VOLUMETRIC EXPOSURE DUE TO MOSTLY FIXED MARGINS...

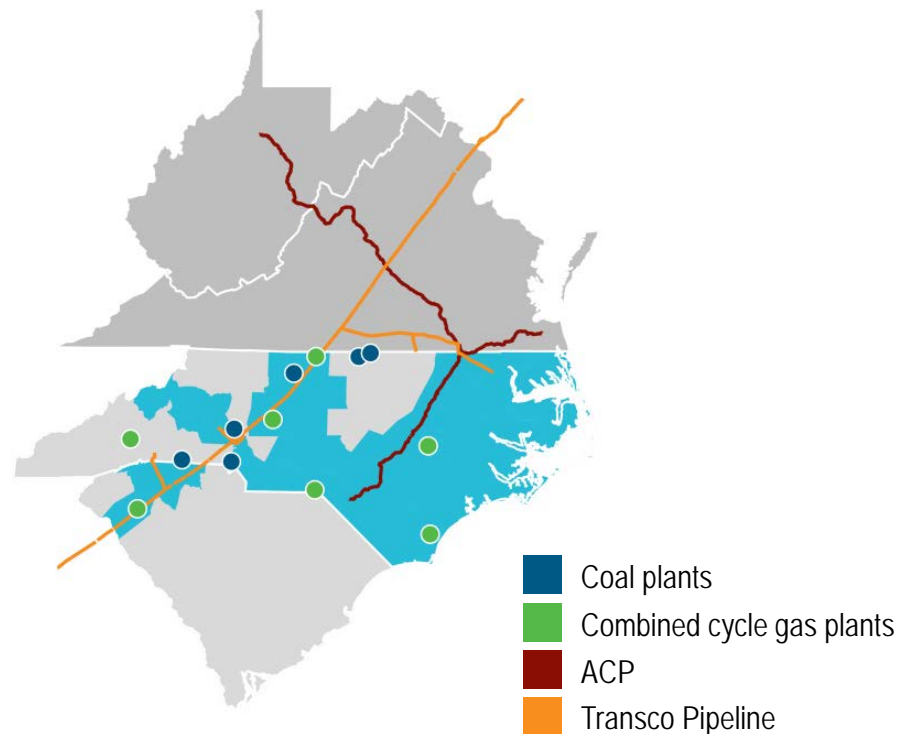


...WITH EARNINGS DRIVEN BY INVESTMENT AND STRONG CUSTOMER GROWTH



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

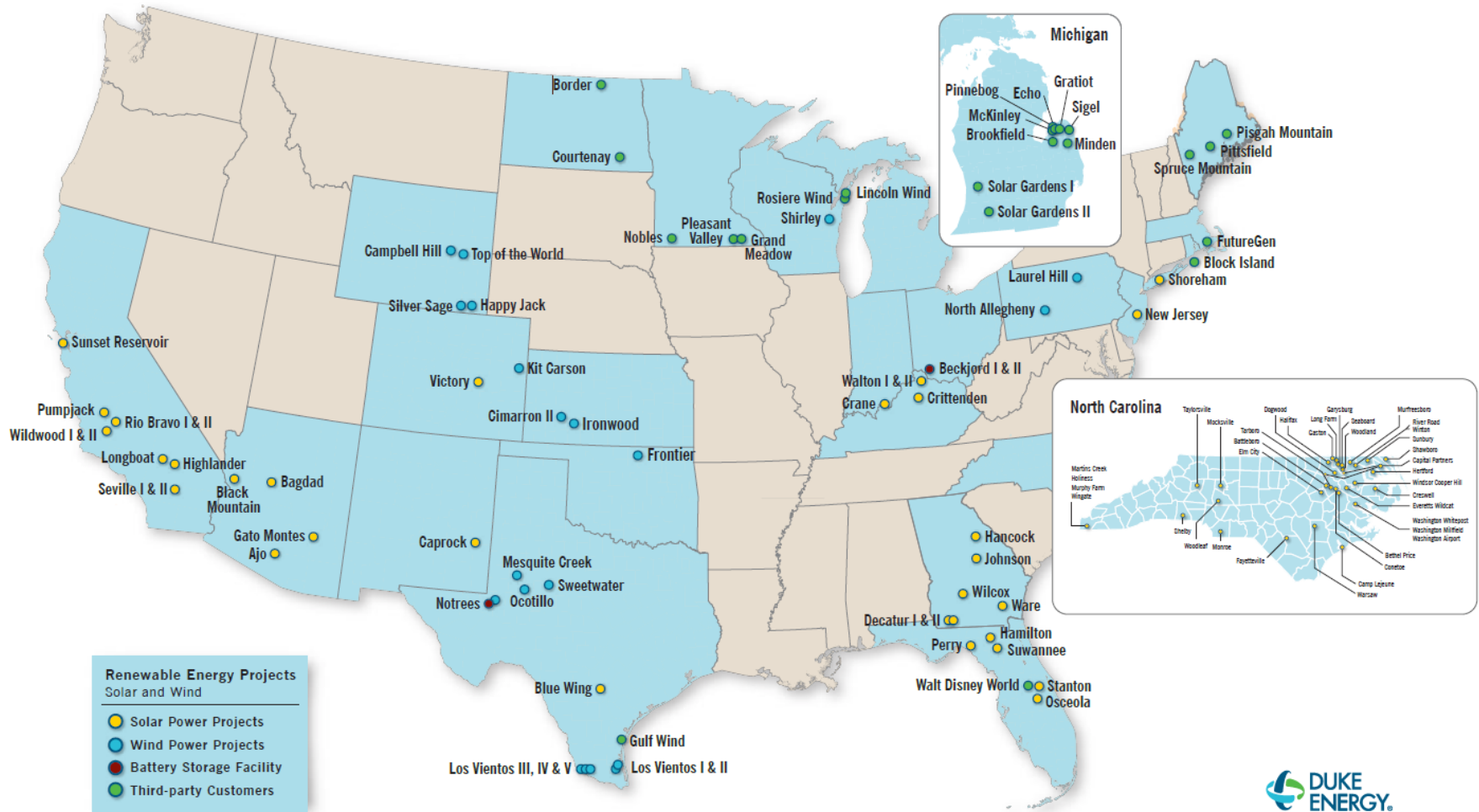
- 47% joint owner
- Commenced construction activities under LNTPs
- Projected in service in late 2019
- Potential for additional power generation and utility infrastructure for Piedmont Natural Gas



(1) Piedmont CAGR: 1.6%, Midwest LDC CAGR 0.6%

Commercial and Regulated Renewables asset locations⁽¹⁾

Duke Energy Solar, Wind and Battery Storage Portfolio



Duke Energy Renewables and Regulated Assets
©2017 Duke Energy Corporation 170051 9/17



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

Upcoming Events & Other

Event	Date
1Q 2018 earnings call (tentative)	May 10, 2018
2Q 2018 earnings call (tentative)	August 2, 2018
3Q 2018 earnings call (tentative)	November 2, 2018

Mike Callahan, Vice President Investor Relations

- Michael.Callahan@duke-energy.com
- (704) 382-0459

Mike Switzer, Director Investor Relations

- Mike.Switzer@duke-energy.com
- (704) 382-6473

Abby Motsinger, Manager Investor Relations

- Abby.Motsinger@duke-energy.com
- (704) 382-7624

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 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, compliance with debt covenants and conditions and general market and 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; 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
Fourth Quarter Earnings Review & Business Update
February 20, 2018

Adjusted Diluted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) Fourth Quarter Earnings Review and Business Update on February 20, 2018, include a discussion of adjusted diluted EPS for the quarters and year-to-date periods ended December 31, 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 December 31, 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.
- Regulatory settlements represent charges related to the Levy nuclear project in Florida and the Mayo Zero Liquid Discharge and Sutton combustion turbine projects in North Carolina.
- Commercial Renewables Impairments represent other-than-temporary, asset and goodwill impairments.
- Impacts of the Tax Act represent estimated amounts recognized related to the Tax Cuts and Jobs Act.

Adjusted diluted EPS also includes 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 Fourth Quarter Earnings Review and Business Update on February 20, 2018, include a reference to the original forecasted 2017 adjusted diluted EPS guidance range of \$4.50 - \$4.70 per share, the narrowed forecasted 2017 adjusted diluted EPS guidance range of \$4.50 - \$4.60 per share and the forecasted 2018 adjusted diluted EPS guidance range of \$4.55 - \$4.85 per share. The materials

also reference the long-term range of annual growth of 4% - 6% through 2022 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

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018, include a discussion of adjusted segment income and adjusted other net expense for the year-to-date period ended December 31, 2017 and a discussion of 2017 and 2018 forecasted adjusted segment income and forecasted adjusted segment 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 year-to-date period ended December 31, 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 Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a discussion of the adjusted ETR for the year-to-date period ended December 31, 2017. The materials also include a discussion of the 2017 and 2018 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 December 31, 2017 to the most directly comparable GAAP measure is included herein. Due to the forward-looking nature of the 2017 and the 2018 forecasted adjusted ETR, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted Diluted EPS Guidance.

Dividend Payout Ratio

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a discussion of Duke Energy's forecasted dividend payout ratio of 70% - 75% through 2022 based upon adjusted diluted EPS. This payout ratio is a non-GAAP financial measure as it is based upon forecasted diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items, as discussed above under Adjusted Diluted EPS. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted Diluted EPS Guidance.

Adjusted Book Return on Equity (ROE)

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a reference to the historical and projected adjusted book return on equity (ROE) ratio. This ratio is a non-GAAP financial measure. The numerator represents Net Income, adjusted for the impact of special items (as discussed above under Adjusted Diluted EPS). The denominator is average Total Common Stockholder's Equity, reduced for Goodwill. A reconciliation of the components of adjusted ROE to the most directly comparable GAAP measures is included here-in. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted Diluted EPS Guidance.

Funds From Operations ("FFO") Ratios

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a reference to historical and expected FFO to Total Debt ratios. These ratios reflect non-GAAP financial measures. The numerator of the FFO to Total Debt ratio is calculated principally by using net cash provided by operating activities on a GAAP basis, adjusted for changes in working capital, ARO spend and reduced for capitalized interest (including any AFUDC interest). The denominator for the FFO to Total Debt ratio is calculated principally by using the balance of long-term debt (excluding purchase accounting adjustments and long-term debt associated with the CR3 Securitization), including current maturities, plus notes payable and commercial paper outstanding. The calculation of FFO to Total Debt ratio for historical periods is included here-in.

Holdco Debt Percentage

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 include a reference to a historical and projected Holdco debt percentage. This percentage reflects a non-GAAP financial measure. The numerator of the Holdco debt percentage is the balance of Duke Energy Corporate debt, Progress Energy, Inc. debt, PremierNotes and the Commercial Paper attributed to the Holding Company. The denominator for the percentage is the balance of long-term debt (excluding purchase accounting adjustments and long-term debt associated with the CR3 Securitization), including current maturities, plus notes payable and commercial paper outstanding.

Available Liquidity

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 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 December 31, 2017 to the most directly comparable GAAP measure is included herein.

Business Mix Percentage

The materials for Duke Energy's Fourth Quarter Earnings Review and Business Update on February 20, 2018 reference each segments 2018 projected adjusted segment income as a percentage of the total projected 2018 adjusted net income (i.e. business mix), excluding the impact of Other. Duke Energy's segments are comprised of Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The materials also reference the ten-year target percentage of total Gas Utilities and Infrastructure adjusted segment income as a percentage of the total adjusted net income, excluding the impact of Other.

Adjusted segment income is a non-GAAP financial measure, as it represents reported segment income adjusted for special items as discussed above. Due to the forward-looking nature of any forecasted adjusted segment income, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items (as discussed above under Adjusted Diluted EPS Guidance).

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended December 31, 2017
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items				Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Regulatory Settlements	Commercial Renewables Impairments	Impacts of the Tax Act			
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 826	\$ —	\$ 14	B \$ —	\$ (231)	\$ —	\$ (217)	\$ 609
Gas Utilities and Infrastructure	140	—	—	—	(26) D	—	(26)	114
Commercial Renewables	439	—	—	18	C (442)	—	(424)	15
Total Reportable Segment Income	1,405	—	14	18	(699)	—	(667)	738
Other	(700)	21	A —	—	597	—	618	(82)
Discontinued Operations	(2)	—	—	—	—	2	E 2	—
Net Income Attributable to Duke Energy Corporation	\$ 703	\$ 21	\$ 14	\$ 18	\$ (102) D	\$ 2	\$ (47)	\$ 656
EPS ATTRIBUTABLE TO DUKE ENERGY CORP, DILUTED	\$ 1.00	\$ 0.03	\$ 0.02	\$ 0.03	\$ (0.14)	\$ —	\$ (0.06)	\$ 0.94

A - Net of \$13 million tax benefit. \$34 million recorded within Operating Expenses on the Consolidated Statements of Operations.

B - Net of \$9 million tax benefit. \$19 million recorded within Impairment Charges and \$4 million recorded within Other Income and Expenses on the Consolidated Statements of Operations.

C - Recorded within Impairment Charges on the Consolidated Statement of Operations.

D - \$118 million benefit recorded within Income Tax Expense from Continuing Operations, offset by \$16 million expense recorded within Gas Utilities and Infrastructure's Equity in Earnings of Unconsolidated Affiliates on the Consolidated Statements of Operations.

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

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2017
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items					Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger	Regulatory Settlements	Commercial Renewables Impairments	Impacts of the Tax Act				
SEGMENT INCOME									
Electric Utilities and Infrastructure	\$ 3,210	\$ —	\$ 98	B	\$ —	\$ (231)	\$ —	\$ (133)	\$ 3,077
Gas Utilities and Infrastructure	319	—	—		—	(26) D	—	(26)	293
Commercial Renewables	441	—	—		74 C	(442)	—	(368)	73
Total Reportable Segment Income	3,970	—	98		74	(699)	—	(527)	3,443
Other	(905)	64 A	—		—	597	—	661	(244)
Discontinued Operations	(6)	—	—		—	—	6 E	6	—
Net Income Attributable to Duke Energy Corporation	\$ 3,059	\$ 64	\$ 98		\$ 74	\$ (102) D	\$ 6	\$ 140	\$ 3,199
EPS ATTRIBUTABLE TO DUKE ENERGY CORP, DILUTED	\$ 4.36	\$ 0.09	\$ 0.14		\$ 0.11	\$ (0.14)	\$ 0.01	\$ 0.21	\$ 4.57

A - Net of \$39 million tax benefit. \$102 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Consolidated Statements of Operations.

B - Net of \$60 million tax benefit. \$154 recorded within Impairment Charges and \$4 million recorded within Other Income and Expenses on the Consolidated Statements of Operations.

C - Net of \$28 million tax benefit. \$92 million recorded within Impairment Charges and \$10 million recorded within Other Income and Expenses on the Consolidated Statements of Operations.

D - \$118 million benefit recorded within Income Tax Expense from Continuing Operations, offset by \$16 million expense recorded within Gas Utilities and Infrastructure's Equity in Earnings of Unconsolidated Affiliates on the Consolidated Statements of Operations.

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

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

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

	<u>Special Items</u>						<u>Total Adjustments</u>	<u>Adjusted Earnings</u>
	<u>Reported Earnings</u>	<u>Costs to Achieve Mergers</u>	<u>Cost Savings Initiatives</u>	<u>International Energy Operations</u>	<u>Discontinued Operations</u>			
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 483	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 483
Gas Utilities and Infrastructure	89	—	—	—	—	—	—	89
Commercial Renewables	10	—	—	—	—	—	—	10
Total Reportable Segment Income	582	—	—	—	—	—	—	582
International Energy	—	—	—	40 C	—	—	40	40
Other	(209)	134 A	18 B	—	—	—	152	(57)
Intercompany Eliminations	1	—	—	—	—	(1)	(1)	—
Discontinued Operations	(601)	—	—	(40) C	641 D	—	601	—
Net Income Attributable to Duke Energy Corporation	\$ (227)	\$ 134	\$ 18	\$ —	\$ 640	\$ —	\$ 792	\$ 565
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ (0.33)	\$ 0.19	\$ 0.03	\$ —	\$ 0.92	\$ —	\$ 1.14	\$ 0.81

A - Net of \$74 million tax benefit. \$10 million recorded within Operating Revenues, \$198 million recorded within Operating Expenses on the Consolidated Statements of Operations.

B - Net of \$11 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

C - Net of \$26 million tax expense. Operating results of the International Disposal Group, which exclude the loss and transaction-related costs described below, recorded within (Loss) Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.

D - Recorded within (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes a loss on the sale of the International Disposal Group and other transaction-related costs.

Weighted Average Shares, Diluted (reported and adjusted) - 699 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
 Twelve Months Ended December 31, 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									
Electric Utilities and Infrastructure	\$ 3,040	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,040
Gas Utilities and Infrastructure	152	—	—	—	—	—	—	—	152
Commercial Renewables	23	—	—	45 C	—	—	—	45	68
Total Reportable Segment Income	3,215	—	—	45	—	—	—	45	3,260
International Energy	—	—	—	—	243 D	—	—	243	243
Other	(645)	329 A	57 B	—	—	—	—	386	(259)
Intercompany Eliminations	1	—	—	—	—	(1)	(1)	(1)	—
Discontinued Operations	(419)	—	—	—	(243) D	662 E	419	—	—
Net Income Attributable to Duke Energy Corporation	\$ 2,152	\$ 329	\$ 57	\$ 45	\$ —	\$ 661	\$ 1,092	\$ 3,244	\$ 3,244
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.11	\$ 0.48	\$ 0.08	\$ 0.07	\$ —	\$ 0.95	\$ 1.58	\$ 4.69	\$ 4.69

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

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

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

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

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

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

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

	Three Months Ended December 31, 2017		Year Ended December 31, 2017	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 866		\$ 4,266	
Costs to Achieve Piedmont Merger	34		103	
Regulatory Settlements	23		158	
Commercial Renewables Impairments	18		102	
Impacts of the Tax Act	16		16	
Noncontrolling Interests	—		(5)	
Adjusted Pretax Income	<u>\$ 957</u>		<u>\$ 4,640</u>	
Reported Income Tax Expense From Continuing Operations	\$ 161	18.6%	\$ 1,196	28.0%
Costs to Achieve Piedmont Merger	13		39	
Regulatory Settlements	9		60	
Commercial Renewables Impairments	—		28	
Impacts of the Tax Act	118		118	
Adjusted Tax Expense	<u>\$ 301</u>	31.5% *	<u>\$ 1,441</u>	31.1% *
	Three Months Ended December 31, 2016		Year Ended December 31, 2016	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 512		\$ 3,734	
Costs to Achieve Mergers	208		523	
Cost Saving Initiatives	29		92	
Commercial Renewables Impairment	—		71	
International Energy Operations	66		270	
Noncontrolling Interests	(2)		(7)	
Intercompany Eliminations	(1)		(1)	
Adjusted Pretax Income	<u>\$ 812</u>		<u>\$ 4,682</u>	
Reported Income Tax Expense From Continuing Operations	\$ 136	26.6%	\$ 1,156	31.0%
Costs to Achieve Mergers	74		194	
Cost Saving Initiatives	11		35	
Commercial Renewables Impairment	—		26	
International Energy Operations	26		27	
Adjusted Tax Expense	<u>\$ 247</u>	30.4% *	<u>\$ 1,438</u>	30.7% *

*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 December 31, 2017
(In millions)

Cash and Cash Equivalents	\$ 358	
Less: Certain Amounts Held in Foreign Jurisdictions	(5)	
Less: Unavailable Domestic Cash	<u>(54)</u>	
	299	
Plus: Remaining Availability under Master Credit Facilities and other facilities	<u>6,057</u>	
Total Available Liquidity (a)	<u>\$ 6,356</u>	approximately 6.4 billion

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

DUKE ENERGY CORPORATION
ADJUSTED BOOK RETURN ON EQUITY (ROEs)
For the period ended December 31, 2017
dollars in millions

	Duke Energy Carolinas	Duke Energy Progress	Total Carolinas	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio Reportable Segments	Piedmont
Reported Net Income 2017	\$ 1,214	\$ 715	\$ 1,929	\$ 712	\$ 354	\$ 223 (2)	\$ 133 (4)
Special Items (1)	28	(17)	11	(136)	58	(20)	25
Adjusted Net Income 2017	1,242	698	1,940	576	412	203	158
2017							
Equity	11,361	7,949	19,310	5,618	4,121	3,166 (3)	1,616 (5)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	11,361	7,949	19,310	5,618	4,121	2,246	1,567
2016							
Equity	10,772	7,358	18,130	4,900	4,067	3,027 (3)	1,569 (5)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	10,772	7,358	18,130	4,900	4,067	2,107	1,520
Average Equity less Goodwill			18,720	5,259	4,094	2,177	1,544
Adjusted Book ROEs			10.4%	11.0%	10.1%	9.3%	10.2%

(1) Costs to Achieve (CTA), Mergers net of tax, Regulatory Settlements, and Tax Reform.

(2) Net Income for 2017 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA and cost savings initiatives.

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

	2017	2016
Reported Equity for Duke Energy Ohio	3,163	2,996
Less: Non-Reg & Other	(3)	(31)
Duke Energy Ohio Reportable Segments Equity	3,166	3,027

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

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

	2017	2016
Reported Equity for Piedmont Natural Gas	1,662	1,672
Less: Investments in Gas Transmission Infrastructure	46	103
Piedmont Natural Gas Adjusted Equity	1,616	1,569

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

	Duke Energy Carolinas	Duke Energy Progress	Total Carolinas	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio Reportable Segments	Piedmont Natural Gas (4)
Reported Net Income 2016	\$ 1,166	\$ 599	\$ 1,765	\$ 551	\$ 381	\$ 231 (2)	\$ 187 (5)
Special Items (1)	91	50	141	19	10	-	(40) (6)
Adjusted Net Income 2016	1,257	649	1,906	570	391	231	147
2016							
Equity	10,772	7,358	18,130	4,900	4,067	3,027 (3)	1,487 (7)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	10,772	7,358	18,130	4,900	4,067	2,107	1,438
2015							
Equity	11,606	7,059	18,665	5,121	3,836	2,855 (3)	1,299 (7)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	11,606	7,059	18,665	5,121	3,836	1,935	1,250
Average Equity less Goodwill			18,398	5,011	3,952	2,021	1,344
Adjusted Book ROEs			10.4%	11.4%	9.9%	11.4%	10.9%

(1) Costs to Achieve (CTA), Mergers net of tax and Cost Savings Initiatives.

(2) Net Income for 2016 equals Duke Energy Ohio reportable segments segment income, which already excludes CTA and cost savings initiatives.

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

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

(4) Piedmont Natural Gas ROE is for the twelve months ended October 31, 2016.

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

(6) Piedmont special items include:

Gain on sale of SouthStar equity method investment, net of tax	(81)
CTA	41
	(40)

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

	October 31, 2016	October 31, 2015
Reported Equity for Piedmont Natural Gas	1,645	1,426
Less: Investments in Gas Transmission Infrastructure	158	127
Piedmont Natural Gas Adjusted Equity	1,487	1,299

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

	Duke Energy Carolinas	Duke Energy Progress	Total Carolinas	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio Reportable Segments	Piedmont Natural Gas (4)
Reported Net Income 2015	\$ 1,081	\$ 566	\$ 1,647	\$ 599	\$ 316	\$ 191 (2)	\$ 128 (5)
Special Items (1)	94	34	128	12	66	3	-
Adjusted Net Income 2015	1,175	600	1,775	611	382	194	128
2015							
Equity	11,606	7,059	18,665	5,121	3,836	2,855 (3)	1,299 (6)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	11,606	7,059	18,665	5,121	3,836	1,935	1,250
2014							
Equity	10,924	5,867	16,791	5,222	3,848	2,702 (3)	1,213 (6)
Goodwill	-	-	-	-	-	920	49
Equity less Goodwill	10,924	5,867	16,791	5,222	3,848	1,782	1,164
Average Equity less Goodwill			17,728	5,172	3,842	1,859	1,207
Adjusted Book ROEs			10.0%	11.8%	9.9%	10.4%	10.6%

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

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

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

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

(4) Piedmont Natural Gas ROE is for the twelve months ended October 31, 2015.

(5) Piedmont Natural Gas Net Income excludes \$9 million of income related to Investments in Gas Transmission Infrastructure.

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

	October 31, 2015	October 31, 2014
Reported Equity for Piedmont Natural Gas	1,426	1,309
Less: Investments in Gas Transmission Infrastructure	127	96
Piedmont Natural Gas Adjusted Equity	1,299	1,213

Duke Energy Corporation
2018 Forecasted Cash Flow Reconciliation, Required by SEC Regulation G
2018 Analyst Meeting
February 20, 2018
(\$ in millions)

		<u>Forecast 2018</u>
Primary Sources:		
Adjusted net income (1)	(a)	\$ 3,360
Depreciation & amortization	(a)	4,675
Deferred and accrued taxes	(a)	820
Other sources / (uses), net	(a)	(355)
Total Sources		<u>8,500</u>
Primary Uses:		
Capital expenditures (including discretionary)	(b)	(10,950)
Dividends	(c)	(2,575)
Total Uses		<u>(13,525)</u>
Uses in Excess of Sources		<u>(5,025)</u>
Net Change in Financing		
Debt issuances	(c)	6,000
Debt maturities	(c)	(3,135)
Net Change in Debt		<u>2,865</u>
Common stock issuances	(c)	2,000
Net Change in Cash		<u>\$ (160)</u>
Reconciliations to forecasted U.S. GAAP reporting amounts:		
Operating cash flow components, sum of (a) from above		\$ 8,500
Reconciling items to GAAP cash flows from operating activities	(2)	(1,275)
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows		<u>\$ 7,225</u>
Investing cash flow components, (b) from above		\$ (10,950)
Reconciling items to GAAP cash flows from investing activities	(2)	1,325
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows		<u>\$ (9,625)</u>
Financing cash flow components, sum of (c) from above		\$ 2,290
Reconciling items to GAAP cash flows from financing activities	(2)	(50)
Net cash used in financing activities per GAAP Consolidated Statement of Cash Flows		<u>\$ 2,240</u>
<i>Debt maturities [(d) from above] includes "Notes payable and commercial paper" which is separately presented per GAAP Consolidated Statements of Cash Flows</i>		
Net decrease in cash and cash equivalents per forecasted GAAP Consolidated Statements of Cash Flows		<u>\$ (160)</u>

Notes:

(1) The forecasted adjusted net income of \$3,360 million for 2018 is an illustrative amount based on the midpoint of Duke Energy's adjusted diluted EPS outlook range of \$4.55-\$4.85 per share. The EPS measure used for employee incentive compensation is primarily based on adjusted diluted EPS. Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items.

(2) Amount consists primarily of an adjustment for operating cashflow items (principally payments for asset retirement obligations) included in the "Capital expenditures (including discretionary)", which are combined for the GAAP reconciliation in Investing activities; an adjustment for investing cash flow items (principally distributions from equity investments and Other) included in the "Other sources/(uses), net", which are combined for the GAAP reconciliation in Operating activities, and ; an adjustment for financing cash flow items (principally payments for financing fees) included in the "Other sources/(uses), net", which are combined for the GAAP reconciliation in Operating activities.

FFO to Debt Calculation
Duke Energy Corporation
(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 6,634	\$ 6,817
Working capital adjustment (1)	740	(394)
Capitalized Interest	(128)	(100)
CR3 securitization adjustment	(53)	(35)
Other	20	19
Funds From Operations	7,213	6,307
ARO spend	571	608
ARO spend, net of tax at 38%	354	377
FFO exc. coal ash spend (net of tax)	\$ 7,567	\$ 6,684
Notes payable and commercial paper	\$ 2,163	\$ 2,487
Current maturities of long-term debt	3,244	2,319
Long-term debt	49,035	45,576
Purchase accounting adjustments	(2,416)	(2,671)
CR3 securitization	(1,217)	(1,279)
Other	192	(125)
Total Debt	\$ 51,001	\$ 46,307
FFO / Debt	15%	14%
(1) Working capital detail, excluding mark-to-market		
Receivables	\$ (83)	\$ (372)
Inventory	268	272
Other current assets	(446)	(220)
Accounts payable	(204)	296
Taxes accrued	149	236
Other current liabilities	(424)	182
	\$ (740)	\$ 394

FFO to Debt Calculation**Duke Energy Carolinas**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 2,634	\$ 2,976
Working capital adjustment (1)	(54)	(333)
Capitalized Interest	(45)	(38)
Funds From Operations	2,535	2,605
ARO spend	271	287
ARO spend, net of tax at 38%	168	178
FFO exc. coal ash spend (net of tax)	\$ 2,703	\$ 2,783
Current maturities of long-term debt	\$ 1,205	\$ 116
Long-term debt	8,598	9,187
Long-term debt payable to affiliated companies	300	300
Notes payable to affiliated companies	104	-
Total Debt	\$ 10,207	\$ 9,603
FFO / Debt	26%	29%

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

Receivables	\$ (9)	\$ (76)
Receivables from affiliated companies	68	(56)
Inventory	78	215
Other current assets	7	67
Accounts payable	23	(85)
Accounts payable to affiliated companies	(38)	18
Taxes accrued	86	187
Other current liabilities	(161)	63
	\$ 54	\$ 333

FFO to Debt Calculation**Duke Energy Progress**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 1,195	\$ 1,932
Working capital adjustment (1)	520	(502)
Capitalized Interest	(21)	(17)
Other	3	2
Funds From Operations	1,697	1,415
ARO spend	192	212
ARO spend, net of tax at 38%	119	131
FFO exc. coal ash spend (net of tax)	\$ 1,816	\$ 1,546
Notes payable to affiliated companies	\$ 240	\$ -
Current maturities of long-term debt	3	452
Long-term debt	7,204	6,409
Long-term debt payable to affiliated companies	150	150
Total Debt	\$ 7,597	\$ 7,011
FFO / Debt	24%	22%

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

Receivables	\$ (58)	\$ (17)
Receivables from affiliated companies	2	11
Inventory	59	12
Other current assets	(133)	84
Accounts payable	(230)	171
Accounts payable to affiliated companies	(48)	37
Taxes accrued	(39)	90
Other current liabilities	(73)	114
	\$ (520)	\$ 502

FFO to Debt Calculation**Duke Energy Florida**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 1,028	\$ 844
Working capital adjustment (1)	216	252
Capitalized Interest	(24)	(14)
CR3 securitization adjustment	(53)	(35)
Other	14	13
Funds From Operations	1,181	1,060
ARO spend	56	58
ARO spend, net of tax at 38%	35	36
FFO exc. coal ash spend (net of tax)	\$ 1,216	\$ 1,096
Notes payable to affiliated companies	\$ -	\$ 297
Current maturities of long-term debt	768	326
Long-term debt	6,327	5,799
CR3 securitization	(1,217)	(1,279)
Total Debt	\$ 5,878	\$ 5,143
FFO / Debt	21%	21%

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

Receivables	\$ (38)	\$ 23
Receivables from affiliated companies	-	21
Inventory	66	23
Other current assets	(125)	(133)
Accounts payable	(32)	71
Accounts payable to affiliated companies	(51)	9
Taxes accrued	1	(117)
Other current liabilities	(37)	(149)
	\$ (216)	\$ (252)

FFO to Debt Calculation**Duke Energy Indiana**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 969	\$ 871
Working capital adjustment (1)	(102)	132
Capitalized Interest	(9)	(7)
Funds From Operations	858	996
ARO spend	45	46
ARO spend, net of tax at 38%	28	29
FFO exc. coal ash spend (net of tax)	\$ 886	\$ 1,025
Notes payable to affiliated companies	\$ 161	\$ -
Current maturities of long-term debt	3	3
Long-term debt	3,630	3,633
Long-term debt payable to affiliated companies	150	150
CRC allocated balance	174	174
Total Debt	\$ 4,118	\$ 3,960
FFO / Debt	22%	26%

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

Receivables	\$ 59	\$ (2)
Receivables from affiliated companies	(11)	(43)
Inventory	54	66
Other current assets	28	(67)
Accounts payable	(86)	8
Accounts payable to affiliated companies	4	(9)
Taxes accrued	64	(4)
Other current liabilities	(10)	(81)
	\$ 102	\$ (132)

FFO to Debt Calculation**Duke Energy Ohio**

(in millions)

	Years Ended December 31,	
	2017	2016
	Actual	Actual
Cash From Operations	\$ 479	\$ 425
Working capital adjustment (1)	15	15
Capitalized Interest	(10)	(8)
Funds From Operations	484	432
ARO spend	7	5
ARO spend, net of tax at 38%	4	3
FFO exc. coal ash spend (net of tax)	\$ 488	\$ 435
Notes payable to affiliated companies	\$ 29	\$ 16
Current maturities of long-term debt	3	1
Long-term debt	2,039	1,858
Long-term debt payable to affiliated companies	25	25
CRC allocated balance	151	151
Total Debt	\$ 2,247	\$ 2,051
FFO / Debt	22%	21%

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

Receivables	\$ 2	\$ (4)
Receivables from affiliated companies	(4)	(36)
Inventory	6	(32)
Other current assets	(22)	79
Accounts payable	12	19
Accounts payable to affiliated companies	(1)	10
Taxes accrued	11	3
Other current liabilities	(19)	(54)
	\$ (15)	\$ (15)

FFO to Debt Calculation**Piedmont Natural Gas**

(in millions)

	Years Ended	
	December 31, 2017 Actual	October 31, 2016 Actual
Cash From Operations	\$ 329	\$ 308
Working capital adjustment (1)	125	101
Capitalized Interest	12	2
Funds From Operations	466	411
ARO spend	-	6
ARO spend, net of tax at 38%	-	4
FFO exc. coal ash spend (net of tax)	\$ 466	\$ 415
Notes payable	\$ 364	\$ 145
Current maturities of long-term debt	250	35
Long-term debt	1,787	1,786
Total Debt	\$ 2,401	\$ 1,966
FFO / Debt	19%	21%

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

Receivables	\$ (40)	\$ 7
Receivables from affiliated companies	-	(7)
Inventory	-	14
Other current assets	(20)	(99)
Accounts payable	(13)	6
Accounts payable to affiliated companies	5	6
Taxes accrued	(48)	(14)
Other current liabilities	(9)	(14)
	\$ (125)	\$ (101)