

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE ADJUSTMENT
OF ELECTRIC RATES OF DUKE ENERGY KENTUCKY, INC.

CASE NO. 2017-00321

FILING REQUIREMENTS

VOLUME 6

Duke Energy Kentucky, Inc.
Case No. 2017-00321
Forecasted Test Period Filing Requirements
Table of Contents

Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
1	1	KRS 278.180	30 days' notice of rates to PSC.	James P. Henning
1	2	807 KAR 5:001 Section 7(1)	The original and 10 copies of application plus copy for anyone named as interested party.	James P. Henning
1	3	807 KAR 5:001 Section 12(2)	<p>(a) Amount and kinds of stock authorized.</p> <p>(b) Amount and kinds of stock issued and outstanding.</p> <p>(c) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.</p> <p>(d) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.</p> <p>(e) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.</p> <p>(f) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.</p> <p>(g) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.</p> <p>(h) Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.</p>	John L. Sullivan, III
1	4	807 KAR 5:001 Section 12(2)(i)	Detailed income statement and balance sheet.	David L. Doss
1	5	807 KAR 5:001 Section 14(1)	Full name, mailing address, and electronic mail address of applicant and reference to the particular provision of law requiring PSC approval.	James P. Henning

Duke Energy Kentucky, Inc.
Case No. 2017-00321
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Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
1	6	807 KAR 5:001 Section 14(2)	If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.	James P. Henning
1	7	807 KAR 5:001 Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.	James P. Henning
1	8	807 KAR 5:001 Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	James P. Henning
1	9	807 KAR 5:001 Section 16 (1)(b)(1)	Reason adjustment is required.	James P. Henning William Don Wathen, Jr.
1	10	807 KAR 5:001 Section 16 (1)(b)(2)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	James P. Henning
1	11	807 KAR 5:001 Section 16 (1)(b)(3)	New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed	Bruce L. Sailors
1	12	807 KAR 5:001 Section 16 (1)(b)(4)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Bruce L. Sailors
1	13	807 KAR 5:001 Section 16 (1)(b)(5)	A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.	James P. Henning
1	14	807 KAR 5:001 Section 16(2)	If gross annual revenues exceed \$5,000,000, written notice of intent filed at least 30 days, but not more than 60 days prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	James P. Henning
1	15	807 KAR 5:001 Section 16(3)	Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.	James P. Henning

1	16	807 KAR 5:001 Section 16(6)(a)	The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.	Robert H. Pratt
1	17	807 KAR 5:001 Section 16(6)(b)	Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.	Sarah E. Lawler Cynthia S. Lee Robert H. Pratt
1	18	807 KAR 5:001 Section 16(6)(c)	Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.	Sarah E. Lawler
1	19	807 KAR 5:001 Section 16(6)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	Robert H. Pratt
1	20	807 KAR 5:001 Section 16(6)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	Robert H. Pratt
1	21	807 KAR 5:001 Section 16(6)(f)	The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.	Sarah E. Lawler
1	22	807 KAR 5:001 Section 16(7)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All Witnesses
1	23	807 KAR 5:001 Section 16(7)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Robert H. Pratt Joseph A. Miller Anthony J. Platz
1	24	807 KAR 5:001 Section 16(7)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Robert H. Pratt
1	25	807 KAR 5:001 Section 16(7)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Robert H. Pratt
1	26	807 KAR 5:001 Section 16(7)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	James P. Henning

1	27	807 KAR 5:001 Section 16(7)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	Robert H. Pratt Joseph A. Miller Anthony J. Platz
1	28	807 KAR 5:001 Section 16(7)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Robert H. Pratt Joseph A. Miller Anthony J. Platz
1	29	807 KAR 5:001 Section 16(7)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of any other information provided.	Robert H. Pratt John Verderame John L. Sullivan, III Benjamin Passty
1	30	807 KAR 5:001 Section 16(7)(i)	Most recent FERC or FCC audit reports.	David L. Doss
2	31	807 KAR 5:001 Section 16(7)(j)	Prospectuses of most recent stock or bond offerings.	John L. Sullivan, III
2	32	807 KAR 5:001 Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).	David L. Doss
3-4	33	807 KAR 5:001 Section 16(7)(l)	Annual report to shareholders or members and statistical supplements for the most recent 2 years prior to application filing date.	John L. Sullivan, III
5	34	807 KAR 5:001 Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	David L. Doss
5	35	807 KAR 5:001 Section 16(7)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	David L. Doss

5	36	807 KAR 5:001 Section 16(7)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	David L. Doss Robert H. Pratt
6-8	37	807 KAR 5:001 Section 16(7)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	David L. Doss
9	38	807 KAR 5:001 Section 16(7)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	David L. Doss
9	39	807 KAR 5:001 Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	John L. Sullivan
9	40	807 KAR 5:001 Section 16(7)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
9	41	807 KAR 5:001 Section 16(7)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Sarah E. Lawler
9	42	807 KAR 5:001 Section 16(7)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: <ol style="list-style-type: none">1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment;2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period;3. Explain how allocator for both base and forecasted test period was determined; and4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Jeffrey R. Setser
10	43	807 KAR 5:001 Section 16(7)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	James E. Ziolkowski

11	44	807 KAR 5:001 Section 16(7)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	N/A
11	45	807 KAR 5:001 Section 16(8)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	Sarah E. Lawler
11	46	807 KAR 5:001 Section 16(8)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	Sarah E. Lawler Cynthia S. Lee Robert H. Pratt Lisa M. Bellucci James E. Ziolkowski David L. Doss
11	47	807 KAR 5:001 Section 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	Sarah E. Lawler
11	48	807 KAR 5:001 Section 16(8)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	Sarah E. Lawler Cynthia S. Lee Robert H. Pratt James E. Ziolkowski
11	49	807 KAR 5:001 Section 16(8)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	Lisa M. Bellucci
11	50	807 KAR 5:001 Section 16(8)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	Sarah E. Lawler
11	51	807 KAR 5:001 Section 16(8)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	Sarah E. Lawler Tom Silinski
11	52	807 KAR 5:001 Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period.	Sarah E. Lawler
11	53	807 KAR 5:001 Section 16(8)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	David L. Doss Robert H. Pratt

11	54	807 KAR 5:001 Section 16(8)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	John L. Sullivan, III
11	55	807 KAR 5:001 Section 16(8)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Cynthia S. Lee Robert H. Pratt John L. Sullivan David L. Doss
11	56	807 KAR 5:001 Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes.	Bruce L. Sailors
11	57	807 KAR 5:001 Section 16(8)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Bruce L. Sailors
11	58	807 KAR 5:001 Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Bruce L. Sailors
11	59	807 KAR 5:001 Section 16(10)	Request for waivers from the requirements of this section shall include the specific reasons for the request. The commission shall grant the request upon good cause shown by the utility.	Legal
11	60	807 KAR 5:001 Section (17)(1)	(1) Public postings. (a) A utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the commission. (b) A utility that maintains a Web site shall, within five (5) business days of the date the application is submitted to the commission, post on its Web sites: 1. A copy of the public notice; and 2. A hyperlink to the location on the commission's Web site where the case documents are available. (c) The information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.	James P. Henning

11	61	807 KAR 5:001 Section 17(2)	<p>(2) Customer Notice.</p> <p>(a) If a utility has twenty (20) or fewer customers, the utility shall mail a written notice to each customer no later than the date on which the application is submitted to the commission.</p> <p>(b) If a utility has more than twenty (20) customers, it shall provide notice by:</p> <ol style="list-style-type: none"> 1. Including notice with customer bills mailed no later than the date the application is submitted to the commission; 2. Mailing a written notice to each customer no later than the date the application is submitted to the commission; 3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission; or 4. Publishing notice in a trade publication or newsletter delivered to all customers no later than the date the application is submitted to the commission. <p>(c) A utility that provides service in more than one (1) county may use a combination of the notice methods listed in paragraph (b) of this subsection.</p>	James P. Henning
11	62	807 KAR 5:001 Section 17(3)	<p>(3) Proof of Notice. A utility shall file with the commission no later than forty-five (45) days from the date the application was initially submitted to the commission:</p> <p>(a) If notice is mailed to its customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, that notice was mailed to all customers, and the date of the mailing;</p> <p>(b) If notice is published in a newspaper of general circulation in the utility's service area, an affidavit from the publisher verifying the contents of the notice, that the notice was published, and the dates of the notice's publication; or</p> <p>(c) If notice is published in a trade publication or newsletter delivered to all customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, the mailing of the trade publication or newsletter, that notice was included in the publication or newsletter, and the date of mailing.</p>	James P. Henning

11	63	807 KAR 5:001 Section 17(4)	<p>(4) Notice Content. Each notice issued in accordance with this section shall contain:</p> <p>(a) The proposed effective date and the date the proposed rates are expected to be filed with the commission;</p> <p>(b) The present rates and proposed rates for each customer classification to which the proposed rates will apply;</p> <p>(c) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply;</p> <p>(d) The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service;</p> <p>(e) A statement that a person may examine this application at the offices of (utility name) located at (utility address);</p> <p>(f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at http://psc.ky.gov;</p> <p>(g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;</p> <p>(h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;</p> <p>(i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and</p> <p>(j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.</p>	Bruce L. Sailors
11	64	807 KAR 5:001 Section 17(5)	(5) Abbreviated form of notice. Upon written request, the commission may grant a utility permission to use an abbreviated form of published notice of the proposed rates, provided the notice includes a coupon that may be used to obtain all the required information.	N/A
12	-	807 KAR 5:001 Section 16(8)(a) through (k)	Schedule Book (Schedules A-K)	Various
13	-	807 KAR 5:001 Section 16(8)(l) through (n)	Schedule Book (Schedules L-N)	Bruce L. Sailors

14	-	-	Work papers	Various
15	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 1 of 6)	Various
16	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 2 of 6)	Various
17	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 3 of 6)	Various
18	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 4 of 6)	Various
19	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 5 of 6)	Various
20	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 6 of 6)	Various
20	-	KRS 278.2205(6)	Cost Allocation Manual	Legal

**DUKE ENERGY KENTUCKY
CASE NO. 2017-00321
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(p)**

807 KAR 5:001, SECTION 16(7)(p)

Description of Filing Requirement:

A copy of the utility's annual report on Form 10-K as filed with the Securities and Exchange Commission for the most recent two (2) years, any Form 8-Ks issued within the past two (2) years, and Form 10-Qs issued during the past six (6) quarters updated as current information becomes available.

Response:

See attached. Copies of the annual report on Form 10-K were provided in response to Filing Requirement 16(7)(1) [Tab 33].


Witness Responsible: David L. Doss, Jr.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 16, 2015

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	 DUKE ENERGY DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-6200	20-2777218
1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 (704) 382-3853	31-0240030

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

On January 16, 2015, the Federal Energy Regulatory Commission ("FERC") issued a letter requesting additional information in connection with the application filed on September 11, 2014, by Duke Energy Commercial Asset Management, LLC ("DECAM"), a subsidiary of Duke Energy Ohio, Inc. (the "Company"), Duke Energy Retail Sales, LLC, a subsidiary of Duke Energy Corporation, and Dynegy Resource I, LLC ("Dynegy" and together with DECAM and Duke Energy Retail Sales, LLC, the "Parties"), to approve the sale of the Company's Midwest commercial generation business to Dynegy. The letter seeks further economic analysis, including (1) a delivered price test, to assess the combined market power impacts of the proposed transaction and Dynegy's simultaneous acquisition of the Energy Capital Partners assets in the PJM interconnection, L.L.C. market, and (2) certain information relating to how Dynegy customers will be protected from any adverse effect on rates that might result from its purchase of the Company's Midwest commercial generation business. The Parties intend to fully respond to the request for additional information within 30 days. As a result of this additional request of FERC, the Parties do not expect the transaction to close by the end of the first quarter of 2015 but remain committed to closing the transaction as quickly as possible after receipt of FERC approval, which is the final regulatory approval required to close.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DUKE ENERGY CORPORATION

Date: January 20, 2015

By: /s/ Julie S. Janson
Name: Julie S. Janson
Title: Executive Vice President, Chief Legal Officer and Corporate Secretary

DUKE ENERGY OHIO, INC.

Date: January 20, 2015

By: /s/ Julie S. Janson
Name: Julie S. Janson
Title: Executive Vice President and Chief Legal Officer


**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 30, 2015

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	 DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-04928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-4200 704-382-3853	56-0205520
1-3274	DUKE ENERGY FLORIDA, INC. (a Florida corporation) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853	59-0247770
1-3543	DUKE ENERGY INDIANA, INC. (an Indiana corporation) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853	35-0594457
1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853	31-0240030
1-3382	DUKE ENERGY PROGRESS, INC. (a North Carolina corporation) 410 South Wilmington street Raleigh, North Carolina 27601-1748 704-382-3853	56-0165465

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On January 30, 2015, Duke Energy Corporation (the "Corporation") and its wholly-owned subsidiaries, Duke Energy Carolinas, LLC, Duke Energy Florida, Inc., Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc., Duke Energy Ohio, Inc., and Duke Energy Progress, Inc., entered into an amendment to the \$6,000,000,000 Credit Agreement, dated as of November 18, 2011 and as amended on December 18, 2013, among the Corporation and each of such subsidiaries, as Borrowers, the lenders listed therein, Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender. The credit facility was originally described and filed in the Corporation's Form 8-K dated November 25, 2011. The amendment was entered into primarily to increase the maximum aggregate borrowing amount available to the Borrowers to \$7,500,000,000, and to extend the termination date of the facility from December 2018 to January 30, 2020.

The disclosure in this Item 1.01 is qualified in its entirety by the provisions of the amendment to the Credit Agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) *Exhibits.*

10.1 Amendment No. 2 and Consent, dated as of January 30, 2015, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc., Duke Energy Progress, Inc. (f/k/a Progress Energy Carolinas, Inc.) and Duke Energy Florida, Inc. (f/k/a Progress Energy Florida, Inc.), the Lenders party hereto, the Issuing Lenders party hereto, Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DUKE ENERGY CORPORATION

Date: February 4, 2015

By: /s/ Robert T. Lucas III
Name: Robert T. Lucas III
Title: Assistant Secretary

DUKE ENERGY CAROLINAS, LLC

Date: February 4, 2015

By: /s/ Robert T. Lucas III
Name: Robert T. Lucas III
Title: Assistant Secretary

DUKE ENERGY FLORIDA, INC.

Date: February 4, 2015

By: /s/ Robert T. Lucas III
Name: Robert T. Lucas III
Title: Assistant Secretary

DUKE ENERGY INDIANA, INC.

Date: February 4, 2015

By: /s/ Robert T. Lucas III
Name: Robert T. Lucas III
Title: Assistant Secretary

DUKE ENERGY OHIO, INC.

Date: February 4, 2015

By: /s/ Robert T. Lucas III
Name: Robert T. Lucas III
Title: Assistant Secretary

DUKE ENERGY PROGRESS, INC.

Date: February 4, 2015

By: /s/ Robert T. Lucas III
Name: Robert T. Lucas III
Title: Assistant Secretary

EXHIBIT INDEX

Exhibit	Description
10.1	Amendment No. 2 and Consent, dated as of January 30, 2015, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc., Duke Energy Progress, Inc. (f/k/a Progress Energy Carolinas, Inc.) and Duke Energy Florida, Inc. (f/k/a Progress Energy Florida, Inc.), the Lenders party hereto, the Issuing Lenders party hereto, Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender

Exhibit 10.1

EXECUTION VERSION

AMENDMENT NO. 2 and Consent, dated as of January 30, 2015 (this "*Agreement*"), among DUKE ENERGY CORPORATION, DUKE ENERGY CAROLINAS, LLC, DUKE ENERGY OHIO, INC., DUKE ENERGY INDIANA, INC., DUKE ENERGY KENTUCKY, INC., DUKE ENERGY PROGRESS, INC. (*f/k/a* PROGRESS ENERGY CAROLINAS, INC.) and DUKE ENERGY FLORIDA, INC. (*f/k/a* PROGRESS ENERGY FLORIDA, INC.) (each a "*Borrower*" and collectively, the "*Borrowers*"), the LENDERS party hereto (the "*Lenders*"), the ISSUING LENDERS party hereto (the "*Issuing Lenders*"), WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent and Swingline Lender.

A. Reference is made to the Credit Agreement dated as of November 18, 2011, (as amended by Amendment No. 1 and Consent dated as of December 18, 2013, the "*Existing Credit Agreement*"), among the Borrowers, the Lenders party thereto (the "*Existing Lenders*") and Wells Fargo Bank, National Association, as administrative agent for the Lenders (in such capacity, the "*Administrative Agent*") and as swingline lender (in such capacity, the "*Swingline Lender*").

B. The Borrower has requested that certain amendments be made to the Existing Credit Agreement, as more fully set forth herein (the "*Amendments*").

C. The Lenders party hereto have agreed to the amendments of the Existing Credit Agreement as set forth herein and as amended hereby (the Existing Credit Agreement as so amended being referred to as the "*Amended Credit Agreement*").

Accordingly, in consideration of the mutual agreements herein contained and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. *Terms Generally.* (a) The rules of construction set forth in Section 1.01 of the Amended Credit Agreement shall apply *mutatis mutandis* to this Agreement. Capitalized terms used but not defined herein have the meanings assigned thereto in the Amended Credit Agreement.

(b) As used in this Agreement, the following terms have the meanings specified below:

"*Amendment Effective Date*" shall have the meaning assigned to such term in Section 5.

"*Assignee Lender*" shall mean each Lender whose Commitment as shown on Commitment Schedule to the Amended Credit Agreement attached as Annex A hereto is greater than its existing Commitment immediately prior to the Amendment Effective Date.

"*Departing Lender*" shall mean each Existing Lender that is not a signatory to this Agreement.

SECTION 2. *Amendments to Existing Credit Agreement.* Effective as of the Amendment Effective Date immediately after giving effect to the Assigned Interests in Section 3 of this Agreement, the Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the

bold and double-underlined text (indicated textually in the same manner as the following example: **double underlined text**) as set forth in the pages of the Amended Credit Agreement attached as Annex A hereto.

SECTION 3. *Substitution of Departing Lenders; Confirmation of Commitments.* (a) (i) The Company hereby notifies the Administrative Agent and each Existing Lender that it has elected to substitute the Assignee Lenders for the Departing Lenders on the Amendment Effective Date pursuant to Section 8.06 of the Existing Credit Agreement. Accordingly, each of the Assignee Lenders hereby purchases and assumes from each of the Departing Lenders such interests, rights and obligations with respect to the Commitments and outstanding Loans and funded Letter of Credit Liabilities of such Departing Lender on the Amendment Effective Date (all such interests, rights and obligations sold, purchased, assigned and assumed to be referred to herein as the "Assigned Interests"), as shall be necessary, in order that, after giving effect to all such sales and assignments and purchases and assumptions and any increase or decrease in the Commitment of a Lender reflected on its signature page hereto (x) no Departing Lender holds any Commitment or outstanding Loans or funded Letter of Credit Liabilities under the Existing Credit Agreement immediately prior to the effectiveness of the amendments referred to in Section 2 of this Agreement and (y) each of the Assignee Lenders will hold the principal amounts of the Commitments and outstanding Loans and funded Letter of Credit Liabilities set forth on the Commitment Schedule attached to the Amended Credit Agreement attached as Annex A hereto. Such sales and assignments and purchases and assumptions shall be made, on the terms set forth in Exhibit D to the Existing Credit Agreement and shall comply, with Section 9.06(c) of the Existing Credit Agreement, notwithstanding any failure of such sales, assignments, purchases and assumptions to comply with (x) the minimum assignment requirement in Section 9.06(c) of the Existing Credit Agreement, (y) the requirement to pay the processing and recordation fees referenced in Section 9.06(c) of the Existing Credit Agreement or (z) any requirement to execute and deliver an Assignment and Assumption in respect thereof. Without limiting the generality of the foregoing, each Assignee Lender hereby makes, the representations, warranties and agreements required to be made under Section 5 of Exhibit D to the Existing Credit Agreement by an Assignee, with respect to the Assigned Interests being assigned or assumed by such Assignee Lender hereunder.

(ii) On the Amendment Effective Date, subject to the terms and conditions set forth herein, (x) to the extent any Loans or funded Letter of Credit Liabilities are outstanding on such date, each Assignee Lender purchasing and assuming Assigned Interests pursuant to paragraph (i) above shall pay the purchase price for such Assigned Interests pursuant to such paragraph (i) (equal to the principal amount of such outstanding Loans and funded Letter of Credit Liabilities with respect to such Assigned Interest) by wire transfer of immediately available funds to the Administrative Agent not later than 12:00 Noon (New York City time), (y) the Borrowers shall pay all accrued and unpaid interest and fees and other amounts accrued to but excluding the Amendment Effective Date for the account of each Departing Lender in respect of such Departing Lender's Assigned Interests (including such amount, if any, as would be payable pursuant to Section 2.13 of the Existing Credit Agreement if the outstanding Loans of such Departing Lender were prepaid in their entirety on the date of consummation of the assignment of the Assigned Interests) by wire transfer of immediately available funds to the Administrative Agent not later than 12:00 Noon (New York City time) and (z) the Administrative Agent shall pay to each of the Departing Lenders selling and assigning such Assigned Interests pursuant to paragraph (i) above, out of the amounts received by the Administrative Agent pursuant to clauses (x) and (y) of this paragraph (ii), the purchase price for the Assigned Interests assigned by such Departing Lender, pursuant to such paragraph (i) and all unpaid interest and fees and other amounts accrued for the account of each Departing Lender to but excluding the Amendment Effective Date by wire transfer of immediately available funds to the account designated by such Departing Lender to the

Administrative Agent not later than 5:00 p.m. (New York City time) on the Amendment Effective Date.

(b) The execution of this Agreement is evidence of the consent of the Company, the Swingline Lender, the Issuing Lenders and the Administrative Agent to assignment of the Departing Lenders' Commitments to the Assignee Lenders, as required pursuant to Section 9.06(c) of the Existing Credit Agreement.

(c) Each Lender, by executing this Agreement confirms that on the Amendment Effective Date after giving effect to this Agreement (including Section 3) the Commitment of such Lender under the Amended Credit Agreement shall be as set forth on such Lender's executed signature page to this Agreement.

(d) Each Borrower agrees to execute and deliver a Note, if required by a Lender, payable to the order of such Lender reflecting the Commitments set forth on the Commitment Schedule to the Amended Credit Agreement pursuant to Sections 2.04(b) and 9.06(c) of the Amended Credit Agreement.

SECTION 4. *Representations and Warranties.* To induce the other parties hereto to enter into this Agreement, each Borrower party hereto represents and warrants to the Administrative Agent and each of the Lenders that:

(a) The execution, delivery and performance by such Borrower of this Agreement and the Notes are within such Borrower's powers, have been duly authorized by all necessary company action, require no action by or in respect of, or filing with, any Governmental Authority (except for consents, authorizations or filings which have been obtained or made, as the case may be, and are in full force and effect) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the articles of incorporation, by laws, certificate of formation or the limited liability company agreement of such Borrower or of any material agreement, judgment, injunction, order, decree or other instrument binding upon such Borrower or result in the creation or imposition of any Lien on any asset of such Borrower or any of its Material Subsidiaries.

(b) This Agreement constitutes a valid and binding agreement of such Borrower and each Note, if and when executed and delivered by it in accordance with this Agreement, will constitute a valid and binding obligation of such Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

(c) Each of the representations and warranties made by such Borrower in Article 4 of the Amended Credit Agreement is true and correct in all material respects on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date.

(d) No Event of Default or Default has occurred and is continuing as of the date hereof.

SECTION 5. *Effectiveness.* This Agreement shall become effective as of the date (the "*Amendment Effective Date*") on which each of the following conditions precedent shall have been satisfied:

(a) The Administrative Agent shall have received duly executed counterparts of this Agreement from the Borrowers, the Swingline Lender, the Issuing Lenders and the Lenders

with Commitments as shown on the Commitment Schedule to the Amended Credit Agreement attached as Annex A hereto consenting to this Agreement.

(b) The Administrative Agent shall have received all Fees and other amounts due and payable on or prior to the Amendment Effective Date, fees and expenses required to be paid or delivered by the Company on the Amendment Effective Date pursuant to the certain fee letters dated as of December 12, 2014 among the arrangers, the Lenders named therein and the Company, and to the extent invoiced, reimbursement or payment of all out of pocket expenses required to be reimbursed or paid by the Company hereunder.

SECTION 6. *Effect of Amendments.* Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Administrative Agent or each of the Lenders under the Existing Credit Agreement and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Borrower to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement in similar or different circumstances. This Agreement shall apply and be effective only with respect to the provisions of the Existing Credit Agreement specifically referred to herein.

SECTION 7. *Notices.* All notices hereunder shall be given in accordance with the provisions of Section 9.01 of the Amended Credit Agreement.

SECTION 8. *Counterparts.* This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile or other means of electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9. *APPLICABLE LAW, SUBMISSION TO JURISDICTION.* THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK. EACH BORROWER AND EACH LENDER PARTY HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN NEW YORK COUNTY FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH BORROWER AND EACH LENDER PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 10. *WAIVER OF JURY TRIAL.* EACH OF THE BORROWERS, THE AGENTS, THE ISSUING LENDERS AND THE LENDERS, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 11. *Headings*. The headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date and year first above written.

DUKE ENERGY CORPORATION

By:

/s/ W. Bryan Buckler

Name: W. Bryan Buckler
Title: Assistant Treasurer
Address: 550 South Tryon Street
Charlotte, NC 28202
Attention: Treasury Department
Telecopy
number: 704-382-4935
Taxpayer ID: 20-2777218

DUKE ENERGY CAROLINAS, LLC

By:

/s/ W. Bryan Buckler

Name: W. Bryan Buckler
Title: Assistant Treasurer
Address: 550 South Tryon Street
Charlotte, NC 28202
Attention: Treasury Department
Telecopy
number: 704-382-4935
Taxpayer ID: 56-0205520

DUKE ENERGY OHIO, INC.

By:

/s/ W. Bryan Buckler

Name: W. Bryan Buckler
Title: Assistant Treasurer
Address: 550 South Tryon Street
Charlotte, NC 28202
Attention: Treasury Department
Telecopy
number: 704-382-4935
Taxpayer ID: 31-0240030

[Signature Page to Amendment No. 2 and Consent]

DUKE ENERGY INDIANA, INC.

By:

/s/ W. Bryan Buckler

Name: W. Bryan Buckler
Title: Assistant Treasurer
Address: 550 South Tryon Street
Charlotte, NC 28202
Attention: Treasury Department
Telecopy
number: 704-382-4935
Taxpayer ID: 35-0594457

DUKE ENERGY KENTUCKY, INC.

By:

/s/ W. Bryan Buckler

Name: W. Bryan Buckler
Title: Assistant Treasurer
Address: 550 South Tryon Street
Charlotte, NC 28202
Attention: Treasury Department
Telecopy
number: 704-382-4935
Taxpayer ID: 31-0473080

DUKE ENERGY PROGRESS, INC.

By:

/s/ W. Bryan Buckler

Name: W. Bryan Buckler
Title: Assistant Treasurer
Address: 550 South Tryon Street
Charlotte, NC 28202
Attention: Treasury Department
Telecopy
number: 704-382-4935
Taxpayer ID: 56-0165465

[Signature Page to Amendment No. 2 and Consent]

DUKE ENERGY FLORIDA, INC.

By:

/s/ W. Bryan Buckler

Name: W. Bryan Buckler
Title: Assistant Treasurer
Address: 550 South Tryon Street
Charlotte, NC 28202
Attention: Treasury Department
Telecopy
number: 704-382-4935
Taxpayer ID: 59-0247770

[Signature Page to Amendment No. 2 and Consent]

Wells Fargo Bank, National Association, as Administrative Agent, Lender, Issuing Lender and Swingline Lender:

By /s/ Scott Bjelde
Name: Scott Bjelde
Title: Managing Director

Commitment under Amended Credit Agreement:

\$ 340,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Bank of America, NA, as Lender and Issuing Lender:

By /s/ Patrick Engel
Name: Patrick Engel
Title: Director

Commitment under Amended Credit Agreement:

\$ 340,000,000.00

[Signature Page to Amendment No. 2 and Consent]

The Royal Bank of Scotland plc, as Lender and Issuing Lender:

By /s/ Tyler J. McCarthy
Name: Tyler J. McCarthy
Title: Director

Commitment under Amended Credit Agreement:

\$ 340,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Bank of China, New York Branch, as Lender and Issuing Lender:

By /s/ Shihui Wang
Name: Shihui Wang
Title: Executive Vice President

Commitment under Amended Credit Agreement:

\$ 340,000,000.00

[Signature Page to Amendment No. 2 and Consent]

BARCLAYS BANK PLC, as Lender and Issuing Lender:

By /s/ Ann E. Sutton
Name: Ann E. Sutton
Title: Director

Commitment under Amended Credit Agreement:

\$ 340,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Citibank, N.A., as Lender and Issuing Lender:

By /s/ Maureen Maroney
Name: Maureen Maroney
Title: Vice President

Commitment under Amended Credit Agreement:

\$ 340,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Credit Suisse AG, Cayman Islands Branch, as Lender and Issuing Lender:

By /s/ Alain Daoust
Name: Alain Daoust
Title: Authorized signatory

By /s/ Remy Riester
Name: Remy Riester
Title: Authorized signatory

Commitment under Amended Credit Agreement:

\$ 340,000,000.00

[Signature Page to Amendment No. 2 and Consent]

JPMorgan Chase Bank, N.A., as Lender and Issuing Lender:

By /s/ Bridget Killackey
Name: Bridget Killackey
Title: Vice President

Commitment under Amended Credit Agreement:

\$ 340,000,000.00

[Signature Page to Amendment No. 2 and Consent]

The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Lender and Issuing Lender:

By /s/ Nicholas Battista
Name: Nicholas Battista
Title: Managing Director

Commitment under Amended Credit Agreement:

\$ 340,000,000

[Signature Page to Amendment No. 2 and Consent]

UBS AG, STAMFORD BRANCH as Lender and Issuing Lender:

By /s/ Craig Pearson
Name: Craig Pearson
Title: Associate Director
Banking Product Services, US

By /s/ Darlene Arias
Name: Darlene Arias
Title: Director
Banking Products Services, US

Commitment under Amended Credit Agreement:

\$ 340,000,000.00

[Signature Page to Amendment No. 2 and Consent]

BNP Paribas, as Lender:

By /s/ Denis O'Meara
Name: Denis O'Meara
Title: Managing Director

By /s/ Theodore Sheen
Name: Theodore Sheen
Title: Vice President

Commitment under Amended Credit Agreement:

\$ 264,000,000.00

[Signature Page to Amendment No. 2 and Consent]

GOLDMAN SACHS BANK USA, as Lender:

By /s/ Rebecca Kratz
Name: Rebecca Kratz
Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$ 264,000,000.00

[Signature Page to Amendment No. 2 and Consent]

MIZUHO BANK LTD., as Lender:

By /s/ Leon Mo
Name: Leon Mo
Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$ 264,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Morgan Stanley Bank, N.A., as Lender:

By /s/ Michael King
Name: Michael King
Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$ 264,000,000.00

[Signature Page to Amendment No. 2 and Consent]

ROYAL BANK OF CANADA, as Lender:

By /s/ Rahul D. Shah
Name: Rahul D. Shah
Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$ 264,000,000.00

[Signature Page to Amendment No. 2 and Consent]

SunTrust Bank, as Lender:

By /s/ Andrew Johnson
Name: Andrew Johnson
Title: Director

Commitment under Amended Credit Agreement:

\$ 264,000,000.00

[Signature Page to Amendment No. 2 and Consent]

The Bank of Nova Scotia, as Lender:

By /s/ Thane Rattew
Name: Thane Rattew
Title: Managing Director

Commitment under Amended Credit Agreement:

\$ 264,000,000

[Signature Page to Amendment No. 2 and Consent]

U.S. Bank National Association, as Lender:

By /s/ James O'Shaughnessy
Name: James O'Shaughnessy
Title: Vice President

Commitment under Amended Credit Agreement:

\$ 264,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Banco Bilbao Vizcaya Argentaria, S.A.
New York Branch
as Lender:

By /s/ Luca Sacchi

Name: Luca Sacchi
Title: MD

By /s/ Mauricia Benitez

Name: Mauricia Benitez
Title: Director

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Industrial and Commercial Bank of China Limited, New York Branch, as Lender:

By /s/ Vito Ferrara
Name: Vito Ferrara
Title: Deputy General Manager

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

KEYBANK NATIONAL ASSOCIATION, as Lender:

By /s/ Lisa A. Ryder
Name: Lisa A. Ryder
Title: Vice President

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

The Bank of New York Mellon, as Lender:

By /s/ Richard K. Fronapfel, Jr.
Name: Richard K. Fronapfel, Jr.
Title: Vice President

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Northern Trust Company, as Lender:

By /s/ John C. Canty
Name: John C. Canty
Title: Senior Vice President

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Fifth Third Bank, an Ohio Banking Corporation, as Lender:

By /s/ J. David IZARD
Name: J. David IZARD
Title: Vice President

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

CREDIT AGRICOLE CORPORATE & INVESTMENT BANK, as Lender:

By /s/ Darrell Stanley
Name: Darrell Stanley
Title: Managing Director

By /s/ Michael Willis
Name: Michael Willis
Title: Managing Director

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

PNC Bank, National Association, as Lender:

By /s/ Jon R. Hinard
Name: Jon R. Hinard
Title: Senior Vice President

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

SANTANDER BANK, N.A., as Lender:

By /s/ William Maag
Name: William Maag
Title: Managing Director

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

TD BANK, N.A., as Lender:

By /s/ Shannon Batchman
Name: Shannon Batchman
Title: Senior Vice President

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH, as Lender:

By /s/ Anju Abraham
Name: Anju Abraham
Title: Authorized Signatory

By /s/ Robert Casey
Name: Robert Casey
Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

DNB BANK ASA, GRAND CAYMAN BRANCH, as Lender:

By /s/ Nikolai A. Nachamkin
Name: Nikolai A. Nachamkin
Title: Senior Vice President

By /s/ Colleen Durkin
Name: Colleen Durkin
Title: Senior Vice President

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

HSBC Bank USA, National Association, as Lender:

By /s/ Kenneth R. Marks
Name: Kenneth R. Marks
Title: Managing Director and Head of Power & Utilities, Americas

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

[Signature Page to Amendment No. 2 and Consent]

Sumitomo Mitsui Banking Corporation, as Lender:

By /s/ James D. Weinstein
Name: James D. Weinstein
Title: Managing Director

Commitment under Amended Credit Agreement:

\$ 142,000,000.00

Composite copy reflecting amendments made pursuant to
the Amendment No. 1 and Consent, dated as of
December 18, 2013 and Amendment No. 2 and Consent,
dated as of January 30, 2015

~~\$6,000,000,000~~ 7,500,000,000

CREDIT AGREEMENT

dated as of
November 18, 2011
as Amended by Amendment No. 1 and Consent, dated as of December 18, 2013
and Amendment No. 2 and Consent, dated as of January 30, 2015
among

Duke Energy Corporation
Duke Energy Carolinas, LLC
Duke Energy Ohio, Inc.
Duke Energy Indiana, Inc.
Duke Energy Kentucky, Inc.
Duke Energy Progress, Inc. and
Duke Energy Florida, Inc.,
as Borrowers,

The Lenders Listed Herein,

Wells Fargo Bank, National Association,
as Administrative Agent,

and

~~Bank of America, N.A. and~~
JPMorgan Chase Bank, N.A. and
The Royal Bank of Scotland plc,
as Co-Syndication Agents

and

Bank of China, New York Branch
Barclays Bank PLC
Citibank, N.A.
Credit Suisse AG, Cayman Islands Branch
~~JPMorgan Chase Bank, N.A.~~
The Bank of Tokyo-Mitsubishi UFJ, Ltd. and
UBS Securities LLC,
as Co-Documentation Agents

Bank of China, New York Branch
Barclays Bank PLC
Citigroup Global Markets, Inc.
Credit Suisse Securities (USA) LLC
J.P. Morgan Securities, LLC

Merrill Lynch, Pierce, Fenner & Smith Incorporated
RBS Securities Inc.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
UBS Securities LLC and
Wells Fargo Securities, LLC,
Joint Lead Arrangers and Joint Bookrunners

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CREDIT AGREEMENT

AGREEMENT dated as of November 18, 2011 (as amended by Amendment No. 1 and Consent, dated as of December 18, 2013 and Amendment No. 2 and Consent, dated as of January 30, 2015) among DUKE ENERGY CORPORATION, DUKE ENERGY CAROLINAS, LLC, DUKE ENERGY OHIO, INC., DUKE ENERGY INDIANA, INC., DUKE ENERGY KENTUCKY, INC., DUKE ENERGY PROGRESS, INC. (f/k/a PROGRESS ENERGY CAROLINAS, INC.) and DUKE ENERGY FLORIDA, INC. (f/k/a PROGRESS ENERGY FLORIDA, INC.) as Borrowers, the Lenders from time to time party hereto, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, BANK OF AMERICA, N.A., JPMORGAN CHASE BANK, N.A. and THE ROYAL BANK OF SCOTLAND PLC, as Co-Syndication Agents, and BANK OF CHINA, NEW YORK BRANCH, BARCLAYS BANK PLC, CITIBANK, N.A., CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, JPMORGAN CHASE BANK, N.A., THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. and UBS SECURITIES LLC, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.01. *Definitions.* The following terms, as used herein, have the following meanings:

“**Additional Lender**” means any financial institution that becomes a Lender for purposes hereof pursuant to Section 2.17 or 8.06.

“**Administrative Agent**” means Wells Fargo in its capacity as administrative agent for the Lenders hereunder, and its successors in such capacity.

“**Administrative Questionnaire**” means, with respect to each Lender, the administrative questionnaire in the form submitted to such Lender by the Administrative Agent and submitted to the Administrative Agent (with a copy to each Borrower) duly completed by such Lender.

“**Affiliate**” means, as to any Person (the “**specified Person**”) (i) any Person that directly, or indirectly through one or more intermediaries, controls the specified Person (a “**Controlling Person**”) or (ii) any Person (other than the specified Person or a Subsidiary of the specified Person) which is controlled by or is under common control with a Controlling Person. As used herein, the term “**control**” means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Agent**” means any of the Administrative Agent, the Co-Syndication Agents or the Co-Documentation Agents.

“Aggregate Exposure” means, with respect to any Lender at any time, the aggregate amount of its Borrower Exposures to all Borrowers at such time.

“Agreement” means this Agreement as the same may be amended from time to time.

~~“Amendment Effective Date” means December 18, 2013, being the date on which that certain Amendment No. 1 and Consent among the Borrowers, the Lenders party thereto, the Issuing Lenders party thereto, the Swingline Lender and the Administrative Agent became effective.~~

~~“Anti-Corruption Laws” means the United States Foreign Corrupt Practices Act of 1977 and all other laws, rules, and regulations of any jurisdiction concerning or relating to bribery, corruption or money laundering.~~

“Applicable Lending Office” means, with respect to any Lender, (i) in the case of its Base Rate Loans, its Domestic Lending Office and (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office.

“Applicable Margin” means, with respect to Euro-Dollar Loans, Swingline Loans or Base Rate Loans to any Borrower, the applicable rate per annum for such Borrower determined in accordance with the Pricing Schedule.

“Appropriate Share” has the meaning set forth in Section 8.03(d).

“Approved Fund” means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“Approved Officer” means the president, the chief financial officer, a vice president, the treasurer, an assistant treasurer or the controller of the Borrower or such other representative of the Borrower as may be designated by any one of the foregoing with the consent of the Administrative Agent.

“Assignee” has the meaning set forth in Section 9.06(c).

“Availability Percentage” means, with respect to each Borrower at any time, the percentage which such Borrower’s Sublimit bears to the aggregate amount of the Commitments, all determined as of such time.

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding (or any similar proceeding), or generally fails to pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business or assets appointed for it, or, in the good faith determination of the Administrative Agent (or, if the Administrative Agent is the subject of the Bankruptcy Event, the Required Lenders), has taken any action in furtherance of,

or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Base Rate" means, for any day for which the same is to be calculated, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 1/2 of 1% and (c) the LIBOR Market Index Rate plus 1%. Each change in the Base Rate shall take effect simultaneously with the corresponding change in the rates described in clauses (a), (b) or (c) above, as the case may be.

"Base Rate Loan" means (i) a Loan which bears interest at the Base Rate pursuant to the applicable Notice of Borrowing or Notice of Interest Rate Election or the provisions of Article 8 or (ii) an overdue amount which was a Base Rate Loan immediately before it became overdue.

"Borrower" means each of Duke Energy Carolinas, Duke Energy Ohio, Duke Energy Indiana, Duke Energy Kentucky, the Company and, on and after the Second Effective Date, Duke Energy Florida and Duke Energy Progress. References herein to "the Borrower" in connection with any Loan or Group of Loans or any Letter of Credit hereunder are to the particular Borrower to which such Loan or Loans are made or proposed to be made or at whose request and for whose account such Letter of Credit is issued or proposed to be issued.

"Borrower Exposure" means, with respect to any Lender and any Borrower at any time, (i) an amount equal to the product of such Lender's Percentage and such Borrower's Sublimit (whether used or unused) at such time or (ii) if such Lender's Commitment shall have terminated, either generally or with respect to such Borrower, or if such Borrower's Sublimit shall have been reduced to zero, the sum of the aggregate outstanding principal amount of its Loans (other than Swingline Loans) to such Borrower, the aggregate amount of its Letter of Credit Liabilities in respect of such Borrower and the amount of its Swingline Exposure in respect of such Borrower at such time.

"Borrower Maturity Date" means, with respect to any Revolving Credit Loan to any Borrower other than the Company, the first anniversary of the date of the Borrowing of such Revolving Credit Loan; *provided* that if the Borrower designates such Borrowing as long-term in its Notice of Borrowing, then the Borrower Maturity Date shall not be applicable thereto.

"Borrowing" has the meaning set forth in Section 1.03.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of each Issuing Lender and each Lender, as collateral for the Letter of Credit Liabilities, cash or deposit account balances, and “Cash Collateral” shall refer to such cash or deposit account balances.

“Change in Law” means the occurrence of any of the following after the date of this Agreement: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; *provided however*, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” after the date hereof regardless of the date enacted, adopted, issued or implemented.

“Co-Documentation Agents” means each of Bank of China, New York Branch, Barclays Bank PLC, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, ~~JPMorgan Chase Bank, N.A.~~, The Bank of Tokyo-Mitsubishi UFJ, Ltd., and UBS Securities LLC, in its capacity as documentation agent in respect of this Agreement.

“Commitment” means (i) with respect to any Lender listed on the signature pages hereof, the amount set forth opposite its name on the Commitment Schedule as its Initial Commitment, which amount, subject to the conditions in Section 3.02, shall be increased by the amount set forth opposite its name on the Commitment Schedule as its Delayed Additional Commitment, and (ii) with respect to each Additional Lender or Assignee which becomes a Lender pursuant to Sections 2.17, 8.06 and 9.06(c), the amount of the Commitment thereby assumed by it, in each case as such amount may from time to time be reduced pursuant to Sections 2.08, 2.10, 8.06 or 9.06(c) or increased pursuant to Sections 2.17, 8.06 or 9.06(c).

“Commitment Schedule” means the Commitment Schedule attached hereto.

“Commitment Termination Date” means, for each Lender, ~~December 18, 2018~~ January 30, 2020, as such date may be extended from time to time with respect to such Lender pursuant to Section 2.01(b) or, if such day is not a Euro-Dollar Business Day, the next preceding Euro-Dollar Business Day.

“Company” means Duke Energy Corporation, a Delaware corporation.

“Connection Income Taxes” means, with respect to any Lender or Agent, taxes that are imposed on or measured by net income (however denominated), franchise taxes or branch profits taxes, in each case, imposed as a result of a connection (including any

former connection) between such Lender or Agent and the jurisdiction imposing such tax (other than connections arising from such Lender or Agent having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any Note, or sold or assigned an interest in any Loan, this Agreement or any Note).

"Consolidated Capitalization" means, with respect to any Borrower, the sum, without duplication, of (i) Consolidated Indebtedness of such Borrower, (ii) consolidated common equityholders' equity as would appear on a consolidated balance sheet of such Borrower and its Consolidated Subsidiaries prepared in accordance with generally accepted accounting principles, (iii) the aggregate liquidation preference of preferred or priority equity interests (other than preferred or priority equity interests subject to mandatory redemption or repurchase) of such Borrower and its Consolidated Subsidiaries upon involuntary liquidation, (iv) the aggregate outstanding amount of all Equity Preferred Securities of such Borrower and (v) minority interests as would appear on a consolidated balance sheet of such Borrower and its Consolidated Subsidiaries prepared in accordance with generally accepted accounting principles.

"Consolidated Indebtedness" means, at any date, with respect to any Borrower, all Indebtedness of such Borrower and its Consolidated Subsidiaries determined on a consolidated basis in accordance with generally accepted accounting principles; *provided* that Consolidated Indebtedness shall exclude, to the extent otherwise reflected therein, Equity Preferred Securities of such Borrower and its Consolidated Subsidiaries up to a maximum excluded amount equal to 15% of Consolidated Capitalization of such Borrower.

"Consolidated Net Assets" means, at any date with respect to any Borrower, (a) total assets of such Borrower and its Subsidiaries (minus applicable reserves) determined on a consolidated basis in accordance with GAAP minus (b) total liabilities of such Borrower and its Subsidiaries, in each case determined on a consolidated basis in accordance with GAAP, all as reflected in the consolidated financial statements of such Borrower most recently delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or 5.01(b).

"Consolidated Subsidiary" means, for any Person, at any date any Subsidiary or other entity the accounts of which would be consolidated with those of such Person in its consolidated financial statements if such statements were prepared as of such date.

"Co-Syndication Agents" means each of Bank of America, N.A., JPMorgan Chase Bank, N.A. and The Royal Bank of Scotland plc, in its capacity as syndication agent in respect of this Agreement.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed to (i) fund any portion of its Loans within two Domestic Business Days of the date required to be funded, (ii) fund any portion of its participations in Letters of Credit required to be funded by it hereunder within two Domestic Business Days of the date required to be funded or (iii) pay over to any Lender Party any other amount required to be paid by it hereunder within two Domestic Business Days of the date required to be paid, unless, in the case of clause (i) or (iii) above, such Lender notifies the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Domestic Business Days after written request by the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) or the Company, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement unless such Lender notifies the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt by the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) and the Company of such certification in form and substance satisfactory to the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) and the Company, or (d) has become (or has a direct or indirect Parent that has become) the subject of a Bankruptcy Event. Any determination by the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) that a Lender is a Defaulting Lender shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to the Company and each Lender.

“Delayed Additional Commitments” means the incremental amounts of Commitments so identified in the Commitment Schedule.

“Domestic Business Day” means any day except a Saturday, Sunday or other day on which commercial banks in New York City or in the State of North Carolina are authorized by law to close.

“Domestic Lending Office” means, as to each Lender, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative

Questionnaire as its Domestic Lending Office) or such other office as such Lender may hereafter designate as its Domestic Lending Office by notice to the Borrowers and the Administrative Agent.

“Duke Energy Carolinas” means Duke Energy Carolinas, LLC, a North Carolina limited liability company.

“Duke Energy Carolinas Mortgage” means the First and Refunding Mortgage between Duke Energy Carolinas and JPMorgan Chase Bank, N.A., as successor trustee, dated as of December 1, 1927 as amended or supplemented from time to time.

“Duke Energy Indiana” means Duke Energy Indiana, Inc., an Indiana corporation.

“Duke Energy Indiana First Mortgage Trust Indenture” means the first mortgage trust indenture, dated as of September 1, 1939, between Duke Energy Indiana and Deutsche Bank National Trust Company, as successor trustee, as amended, modified or supplemented from time to time, and any successor or replacement mortgage trust indenture.

“Duke Energy Florida” means Duke Energy Florida, Inc. (f/k/a Progress Energy Florida, Inc.), a Florida corporation.

“Duke Energy Florida Indenture” means the Indenture dated as of January 1, 1944, between Duke Energy Florida and The Bank of New York Mellon, as successor trustee, as amended, modified or supplemented from time to time, and any successor or replacement mortgage trust indenture.

“Duke Energy Kentucky” means Duke Energy Kentucky, Inc., a Kentucky corporation.

“Duke Energy Kentucky First Mortgage Trust Indenture” means the first mortgage trust indenture, dated as of February 1, 1949, between Duke Energy Kentucky and The Bank of New York (successor to Irving Trust Company), as trustee, as amended, modified or supplemented from time to time, and any successor or replacement mortgage trust indenture.

“Duke Energy Ohio” means Duke Energy Ohio, Inc., an Ohio corporation.

“Duke Energy Ohio First Mortgage Trust Indenture” means the first mortgage trust indenture, dated as of August 1, 1936, between Duke Energy Ohio and The Bank of New York (successor to Irving Trust Company), as trustee, as amended, modified or supplemented from time to time, and any successor or replacement mortgage trust indenture.

“Duke Energy Progress” means Duke Energy Progress, Inc. (f/k/a Progress Energy Carolinas, Inc.), a North Carolina corporation.

"Duke Energy Progress Mortgage and Deed of Trust" means the Mortgage and Deed of Trust, dated as of May 1, 1940, from Duke Energy Progress to the Bank of New York Mellon and Ming Ryan (successor to Frederick G. Herbst), as successor trustees, as amended, modified or supplemented from time to time, and any successor or replacement mortgage trust indenture.

"Endowment" means the Duke Endowment, a charitable common law trust established by James B. Duke by Indenture dated December 11, 1924.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges, releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

"Equity Preferred Securities" means, with respect to any Borrower, any trust preferred securities or deferrable interest subordinated debt securities issued by such Borrower or any Subsidiary or other financing vehicle of such Borrower that (i) have an original maturity of at least twenty years and (ii) require no repayments or prepayments and no mandatory redemptions or repurchases, in each case, prior to the first anniversary of the latest Commitment Termination Date.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Group" means, with respect to any Borrower, such Borrower and all other members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with such Borrower, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Euro-Dollar Business Day" means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

"Euro-Dollar Lending Office" means, as to each Lender, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Lender as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrowers and the Administrative Agent.

"Euro-Dollar Loan" means (i) a Loan which bears interest at a Euro-Dollar Rate pursuant to the applicable Notice of Borrowing or Notice of Interest Rate Election or (ii) an overdue amount which was a Euro-Dollar Loan immediately before it became overdue.

"Euro-Dollar Rate" means a rate of interest determined pursuant to Section 2.06(b) on the basis of a London Interbank Offered Rate and if the Euro-Dollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Euro-Dollar Reserve Percentage" has the meaning set forth in Section 2.16.

"Event of Default" has the meaning set forth in Section 6.01.

"Existing Credit Agreement" means the Amended and Restated Credit Agreement dated as of June 28, 2007, among the Company, Duke Energy Carolinas, Duke Energy Ohio, Duke Energy Indiana, Duke Energy Kentucky, the banks party thereto, and Wachovia Bank, National Association, as administrative agent, as amended by Amendment No. 1 dated as of March 10, 2008.

"Existing Duke Letter of Credit" means each letter of credit outstanding under the Existing Credit Agreement on the Initial Effective Date.

"Existing Progress Credit Agreements" means (i) the Credit Agreement dated as of October 15, 2010 among Duke Energy Florida, as borrower, Bank of America, N.A., as administrative agent, and the lenders party thereto, (ii) the Credit Agreement dated as of October 15, 2010 among Duke Energy Progress, as borrower, Wells Fargo Bank, N.A., as administrative agent, and the lenders party thereto, and (iii) the Existing Progress Parent Credit Agreement.

"Existing Progress Letter of Credit" means each letter of credit outstanding under the Existing Progress Parent Credit Agreement or the Existing Progress Parent LC Facility on the Second Effective Date.

"Existing Progress Parent Credit Agreement" means the Credit Agreement dated as of May 3, 2006, as amended and modified, among Progress Energy, Inc., as borrower, Citibank, N.A., as administrative agent, and the lenders party thereto, as amended.

"Existing Progress Parent LC Facility" means the Letter of Credit Agreement dated as of July 1, 2011, as amended and modified, between Progress Energy, Inc., as borrower, and Wells Fargo, as issuer.

"Facility Fee Rate" means, with respect to any Borrower, the applicable rate per annum for such Borrower determined in accordance with the Pricing Schedule.

"FATCA" has the meaning set forth in Section 8.04(a).

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day; *provided* that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day

shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Wells Fargo on such day on such transactions as determined by the Administrative Agent.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“Governmental Authority” means any international, foreign, federal, state, regional, county, local or other governmental or quasi-governmental authority.

“Group of Loans” means at any time a group of Loans consisting of (i) all Loans to the same Borrower which are Base Rate Loans at such time or (ii) all Euro-Dollar Loans to the same Borrower having the same Interest Period at such time; *provided that*, if a Loan of any particular Lender is converted to or made as a Base Rate Loan pursuant to Article 8, such Loan shall be included in the same Group or Groups of Loans from time to time as it would have been if it had not been so converted or made.

“Hedging Agreement” means for any Person, any and all agreements, devices or arrangements designed to protect such Person or any of its Subsidiaries from the fluctuations of interest rates, exchange rates applicable to such party’s assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, commodity swap agreements, forward rate currency or interest rate options, puts and warrants. Notwithstanding anything herein to the contrary, “Hedging Agreements” shall also include fixed-for-floating interest rate swap agreements and similar instruments.

“Increased Commitments” has the meaning set forth in Section 2.17.

“Indebtedness” of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all indebtedness of such Person for the deferred purchase price of property or services purchased (excluding current accounts payable incurred in the ordinary course of business), (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired, (iv) all indebtedness under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases in respect of which such Person is liable as lessee, (v) the face amount of all outstanding letters of credit issued for the account of such Person (other than letters of credit relating to indebtedness included in Indebtedness of such Person pursuant to another clause of this definition) and, without duplication, the unreimbursed amount of all drafts drawn thereunder, (vi) indebtedness secured by any Lien on property or assets of such Person, whether or not assumed (but in any event not exceeding the fair market value of the property or asset), (vii) all direct guarantees of Indebtedness referred to above of another Person, (viii) all amounts payable in connection with mandatory redemptions or

repurchases of preferred stock or member interests or other preferred or priority equity interests and (ix) any obligations of such Person (in the nature of principal or interest) in respect of acceptances or similar obligations issued or created for the account of such Person.

“Indemnitee” has the meaning set forth in Section 9.03.

“Initial Commitments” means the initial amounts of Commitments so identified in the Commitment Schedule.

“Initial Effective Date” means the date on which this Agreement becomes effective pursuant to Section 3.01.

“Initial Sublimit” means, with respect to each Borrower, the amount set forth opposite its name in the table below:

Borrower	Initial Sublimit
Company	\$ 2,250,000,000 3,200,000,000
Duke Energy Carolinas	\$ 1,000,000,000 1,200,000,000
Duke Energy IndianaProgress	\$ 700,000,000 1,000,000,000
Duke Energy ProgressFlorida	\$ 750,000,000 900,000,000
Duke Energy FloridaIndiana	\$ 650,000,000 600,000,000
Duke Energy Ohio	\$ 550,000,000 475,000,000
Duke Energy Kentucky	\$ 100,000,000 125,000,000

“Interest Period” means, with respect to each Euro-Dollar Loan, the period commencing on the date of borrowing specified in the applicable Notice of Borrowing or on the date specified in an applicable Notice of Interest Rate Election and ending one, two, three or six, or, if deposits of a corresponding maturity are generally available in the London interbank market, nine or twelve, months thereafter, as the Borrower may elect in such notice; *provided that*:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day; and

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Euro-Dollar Business Day of a calendar month;

provided further that no Interest Period applicable to any Loan of any Lender may end after such Lender's Commitment Termination Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Investment Grade Status" exists as to any Person at any date if all senior long-term unsecured debt securities of such Person outstanding at such date which had been rated by S&P or Moody's are rated BBB- or higher by S&P or Baa3 or higher by Moody's, as the case may be, or if such Person does not have a rating of its long-term unsecured debt securities, then if the corporate credit rating of such Person, if any exists, from S&P is BBB- or higher or the issuer rating of such Person, if any exists, from Moody's is Baa3 or higher.

"Issuing Lender" means (i) each of Bank of America, N.A., Bank of China, New York Branch, Barclays Bank PLC, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, JPMorgan Chase Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Royal Bank of Scotland plc, UBS AG, Stamford Branch and Wells Fargo, and (ii) any other Lender that may agree to issue letters of credit hereunder, in each case as issuer of a Letter of Credit hereunder. No Issuing Lender shall be obligated to issue any Letter of Credit hereunder if, after giving effect thereto, the aggregate Letter of Credit Liabilities in respect of all Letters of Credit issued by such Issuing Lender hereunder would exceed (i) in the case of each Issuing Lender named in clause (i) above, \$100,000,000 ~~80,000,000~~ (as such amount may be modified from time to time by agreement between the Company and such Issuing Lender) or (ii) with respect to any other Issuing Lender, such amount (if any) as may be agreed for this purpose from time to time by such Issuing Lender and the Company. For avoidance of doubt, the limitations in the preceding sentence are for the exclusive benefit of the respective Issuing Lenders, are incremental to the other limitations specified herein on the availability of Letters of Credit and do not affect such other limitations.

"Joinder Agreement" means a joinder agreement between each Progress Borrower and the Administrative Agent in substantially the form of Exhibit H.

"Lender" means each bank or other financial institution listed on the signature pages hereof, each Additional Lender, each Assignee which becomes a Lender pursuant to Section 9.06(c), and their respective successors. Each reference herein to a "Lender" shall, unless the context otherwise requires, include the Swingline Lender and each Issuing Lender in such capacity.

"Lender Party" means any of the Lenders, the Issuing Lenders and the Agents.

"Letter of Credit" means a stand-by letter of credit issued or to be issued hereunder by an Issuing Lender in accordance with Section 2.15, including the Existing Duke Letters of Credit and, on and after the Second Effective Date, the Existing Progress Letters of Credit.

“**Letter of Credit Liabilities**” means, for any Lender and at any time, such Lender’s ratable participation in the sum of (x) the amounts then owing by all Borrowers in respect of amounts drawn under Letters of Credit and (y) the aggregate amount then available for drawing under all Letters of Credit.

“**LIBOR Market Index Rate**” means, for any day, the rate for one month U.S. dollar deposits as appears on the display designated as Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service or any successor to or, if such service is not available, substitute for such service providing rate quotations comparable to those currently provided on such page of such service, as reasonably determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to U.S. dollar deposits are offered to leading banks in the London interbank deposit market), approximately 11:00 a.m. London time, for such day; or if such day is not a Euro-Dollar Business Day, for the immediately preceding Euro-Dollar Business Day (or if not so reported, then as determined by the Administrative Agent from another recognized source or interbank quotation.)

“**Lien**” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, any Borrower or any of its Subsidiaries shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“**Loan**” means a Revolving Credit Loan or a Swingline Loan; *provided that* Swingline Loans shall be subject to only those provisions of Article 2 which are specifically made applicable to Swingline Loans.

“**London Interbank Offered Rate**” has the meaning set forth in Section 2.06(b).

“**Long-Dated Letter of Credit**” means a Letter of Credit having an expiry date later than the fifth Domestic Business Day prior to the Commitment Termination Date of the Issuing Lender.

“**Material Debt**” means, with respect to any Borrower, Indebtedness of such Borrower or any of its Material Subsidiaries (other than any Non-Recourse Indebtedness) in an aggregate principal amount exceeding \$150,000,000.

“**Material Plan**” has the meaning set forth in Section 6.01(i).

“**Material Subsidiary**” means at any time, with respect to any Borrower, any Subsidiary of such Borrower that is a “significant subsidiary” (as such term is defined on the Initial Effective Date in Regulation S-X of the Securities and Exchange Commission (17 CFR 210.1-02(w)), but treating all references therein to the “registrant” as references to such Borrower), whose total assets exceeds 15% of the total assets (after intercompany eliminations) of such Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, all as reflected in the consolidated financial statements of

such Borrower most recently delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or 5.01(b).

“**Maximum Sublimit**” means, with respect to each Borrower, the amount set forth opposite its name in the table below, as such amount may be increased from time to time pursuant to Section 2.17:

<u>Borrower</u>	<u>Maximum Sublimit</u>
Company	\$ 3,000,000,000 4,700,000,000
Duke Energy Carolinas	\$ 1,500,000,000 1,800,000,000
Duke Energy Progress	\$ 1,000,000,000 1,400,000,000
Duke Energy Florida	\$ 1,000,000,000 1,200,000,000
Duke Energy Ohio Indiana	\$ 750,000,000 1,000,000,000
Duke Energy Indiana Ohio	\$ 750,000,000 725,000,000
Duke Energy Kentucky	\$ 150,000,000 175,000,000

“**Merger Agreement**” means that certain Agreement and Plan of Merger dated as of January 8, 2011 among the company, Diamond Acquisition Corporation and Progress Energy, Inc., as amended, modified or supplemented from time to time.

“**Merger Effective Date**” means the date of the closing of the transaction contemplated under the Merger Agreement.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Mortgage Indenture**” means in the case of each of Duke Energy Carolinas, Duke Energy Ohio, Duke Energy Indiana, Duke Energy Kentucky, Duke Energy Progress and Duke Energy Florida, the Duke Energy Carolinas Mortgage, the Duke Energy Ohio First Mortgage Trust Indenture, the Duke Energy Indiana First Mortgage Trust Indenture, the Duke Energy Kentucky First Mortgage Trust Indenture, the Duke Energy Progress Mortgage and Deed of Trust or the Duke Energy Florida Indenture, respectively.

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all affected Lenders in accordance with the terms of Section 9.05(a) and (ii) has been approved by the Required Lenders.

“**Non-Recourse Indebtedness**” means any Indebtedness incurred by a Subsidiary of the Company to develop, construct, own, improve or operate a defined facility or project (a) as to which no Borrower (i) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness but excluding tax sharing arrangements and similar arrangements to make contributions to such Subsidiary to account for tax benefits generated by such Subsidiary), (ii) is directly or indirectly liable as a guarantor or otherwise, or (iii) constitutes the lender; (b) no

default with respect to which would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Loans or the Notes) of any Borrower to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (c) as to which the lenders will not have any recourse to the stock or assets of any Borrower or other Subsidiary (other than the stock of or intercompany loans to such Subsidiary); provided that in each case in clauses (a) and (c) above, a Borrower or other Subsidiary may provide credit support and recourse in an amount not exceeding 15% in the aggregate of any such Indebtedness.

“Notes” means promissory notes of a Borrower, in the form required by Section 2.04, evidencing the obligation of such Borrower to repay the Loans made to it, and “Note” means any one of such promissory notes issued hereunder.

“Notice of Borrowing” has the meaning set forth in Section 2.02.

“Notice of Interest Rate Election” has the meaning set forth in Section 2.09(b)

“Notice of Issuance” has the meaning set forth in Section 2.15(b).

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Other Taxes” has the meaning set forth in Section 8.04(a).

“Parent” means, with respect to any Lender, any Person controlling such Lender.

“Participant” has the meaning set forth in Section 9.06(b).

“Participant Register” has the meaning set forth in Section 9.06(b).

“PBGC” means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Percentage” means, with respect to any Lender at any time, the percentage which the amount of its Commitment at such time represents of the aggregate amount of all the Commitments at such time; *provided* that in the case of Section 2.19 when a Defaulting Lender shall exist, “Percentage” shall mean the percentage of the total Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment.

“Person” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Plan” means at any time an employee pension benefit plan which is covered by Title IV of ERISA or Sections 412 or 430 of the Internal Revenue Code or Sections 302 and 303 of ERISA and is either (i) maintained by a member of the ERISA Group for employees of a member of the ERISA Group or (ii) maintained pursuant to a collective

bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

"Pricing Schedule" means the Pricing Schedule attached hereto.

"Prime Rate" means the per annum rate of interest established from time to time by the Administrative Agent at its principal office in San Francisco, California as its Prime Rate. Any change in the interest rate resulting from a change in the Prime Rate shall become effective as of 12:01 a.m. of the Domestic Business Day on which each change in the Prime Rate is announced by the Administrative Agent. The Prime Rate is a reference rate used by the Administrative Agent in determining interest rates on certain loans and is not intended to be the lowest rate of interest charged on any extension of credit to any debtor.

"Progress Borrowers" means Duke Energy Florida and Duke Energy Progress.

"Quarterly Payment Date" means the first Domestic Business Day of each January, April, July and October.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Reimbursement Obligation" means, at any time, the obligation of the Borrower then outstanding under Section 2.15 to reimburse the Issuing Lender for amounts paid by the Issuing Lender in respect of any one or more drawings under a Letter of Credit.

"Related Parties" means, with respect to any Person, such Person's Subsidiaries and Affiliates and the partners, directors, officers, employees, agents, trustees, administrators and managers of such Person and of such Person's Subsidiaries and Affiliates.

"Removed Borrower" has the meaning set forth in Section 9.05(b)

"Required Lenders" means, at any time, Lenders having at least 51% in aggregate amount of the Aggregate Exposures at such time (exclusive in each case of the Aggregate Exposure(s) of any Defaulting Lender(s)).

"Revolving Credit Loan" means a loan made or to be made by a Lender pursuant to Section 2.01(a); *provided* that, if any such loan or loans (or portions thereof) are combined or subdivided pursuant to a Notice of Interest Rate Election, the term "Revolving Credit Loan" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

“Revolving Credit Period” means, with respect to any Lender, the period from and including the Initial Effective Date to but not including its Commitment Termination Date.

“Sanctioned Person” means, at any time (a) any Person listed in any Sanctions-related list of specially designated Persons maintained by OFAC, the U.S. Department of State, United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom, (b) any Person that has a place of business, or is organized or resident, in a jurisdiction that is the subject of any comprehensive territorial Sanctions or (c) any Person owned or controlled by any such Person.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Second Amendment Effective Date” means January 30, 2015, being the date on which that certain Amendment No. 2 and Consent among the Borrowers, the Lenders party thereto, the Issuing Lenders party thereto, the Swingline Lender and the Administrative Agent became effective.

“Second Effective Date” means the date on which the Delayed Additional Commitments become effective pursuant to Section 3.02.

“S&P” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc.

“Sublimit” means, with respect to each Borrower, its Initial Sublimit, as the same may be modified from time to time pursuant to Sections 2.08 and 2.17; *provided that* a Borrower’s Sublimit shall at no time exceed such Borrower’s Maximum Sublimit.

“Subsidiary” means, as to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person; unless otherwise specified, “Subsidiary” means a Subsidiary of a Borrower.

“Substantial Assets” means, with respect to any Borrower, assets sold or otherwise disposed of in a single transaction or a series of related transactions representing 25% or more of the consolidated assets of such Borrower and its Consolidated Subsidiaries, taken as a whole.

“Swingline Exposure” means, with respect to any Lender, an amount equal to such Lender’s Percentage of the aggregate outstanding principal amount of Swingline Loans.

“Swingline Lender” means Wells Fargo, in its capacity as the Swingline Lender under the swing loan facility described in Section 2.18.

“**Swingline Loan**” means a loan made or to be made by the Swingline Lender pursuant to Section 2.18.

“**Swingline Termination Date**” means the tenth Domestic Business Day prior to Wells Fargo’s Commitment Termination Date.

“**Taxes**” has the meaning set forth in Section 8.04(a).

“**Trust**” means The Doris Duke Trust, a trust established by James B. Duke by Indenture dated December 11, 1924 for the benefit of certain relatives.

“**Unfunded Vested Liabilities**” means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefits under such Plan, determined on a plan termination basis using the assumptions under 4001(a)(18) of ERISA, exceeds (ii) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or the Plan under Title IV of ERISA.

“**United States**” means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

“**U.S. Tax Compliance Certificate**” has the meaning set forth in Section 8.04(a).

“**U.S. Tax Law Change**” has the meaning set forth in Section 8.04(a).

“**Utilization Limits**” means the requirements that (i) for any Lender, the aggregate outstanding principal amount of its Loans (other than Swingline Loans) to all Borrowers hereunder plus the aggregate amount of its Letter of Credit Liabilities plus its Swingline Exposure shall at no time exceed the amount of its Commitment and (ii) for any Borrower, the aggregate outstanding principal amount of Loans to such Borrower plus the aggregate amount of Letter of Credit Liabilities in respect of Letters of Credit issued for its account shall at no time exceed its Sublimit.

“**Wells Fargo**” means Wells Fargo Bank, National Association.

Section 1.02. *Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the relevant Borrower’s independent public accountants) with the most recent audited consolidated financial statements of such Borrower and its Consolidated Subsidiaries delivered to the Lenders; provided, that if the Company notifies the Administrative Agent that it wishes to amend the financial covenant in Section 5.10 to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant (or if the Administrative Agent notifies the Company that the Required Lenders wish to amend Section 5.10 for such purpose), then each Borrower’s

compliance with such covenant shall be determined on the basis of generally accepted accounting principles as in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Company and the Required Lenders.

Section 1.03. *Types of Borrowings.* The term “Borrowing” denotes the aggregation of Loans of one or more Lenders to be made to a single Borrower pursuant to Article 2 on a single date and for a single Interest Period. Borrowings are classified for purposes of this Agreement by reference to the pricing of Loans comprising such Borrowing (e.g., a “Euro-Dollar Borrowing” is a Borrowing comprised of Euro Dollar Loans).

ARTICLE 2 THE CREDITS

Section 2.01. *Commitments to Lend.* (a) *Revolving Credit Loans.* During its Revolving Credit Period, each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make loans to each Borrower pursuant to this subsection from time to time; *provided* that, immediately after each such loan is made, the Utilization Limits are not exceeded. Each Borrowing under this subsection shall be in an aggregate principal amount of \$10,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the aggregate amount available in accordance with Section 3.03(b)) and shall be made from the several Lenders ratably in proportion to their respective Commitments in effect on the date of Borrowing; *provided* that, if the Interest Period selected by the Borrower for a Borrowing would otherwise end after the Commitment Termination Dates of some but not all Lenders, the Borrower may in its Notice of Borrowing elect not to borrow from those Lenders whose Commitment Termination Dates fall prior to the end of such Interest Period. Within the foregoing limits, the Borrowers may borrow under this subsection (a), or to the extent permitted by Section 2.11, prepay Loans and reborrow at any time during the Revolving Credit Periods under this subsection (a).

(b) *Extension of Commitments.* (i) The Company may, so long as no Default then exists and the representations and warranties of the Borrowers contained herein are true and correct at the time of notice, upon notice to the Administrative Agent not less than 60 days but no more than 90 days prior to any anniversary of the Second Amendment Effective Date, propose to extend the Commitment Termination Dates for an additional one-year period measured from the Commitment Termination Dates then in effect; *provided* that there shall be no more than two such extensions. The Administrative Agent shall promptly notify the Lenders of receipt of such request. Each Lender shall endeavor to respond to such request, whether affirmatively or negatively (such determination in the sole discretion of such Lender), by notice to the Company and the Administrative Agent within 30 days. Subject to the execution by the Borrowers, the Administrative Agent and such Lenders of a duly completed Extension Agreement in substantially the form of Exhibit E, the Commitment Termination Date applicable to the Commitment of each Lender so affirmatively notifying the Company and the

Administrative Agent shall be extended for the period specified above; *provided* that no Commitment Termination Date of any Lender shall be extended unless Lenders having Commitments in an aggregate amount equal to at least 51% of the Commitments in effect at the time any such extension is requested shall have elected so to extend their Commitments.

(ii) Any Lender which does not give such notice to the Company and the Administrative Agent shall be deemed to have elected not to extend as requested, and the Commitment of each non-extending Lender shall terminate on its Commitment Termination Date determined without giving effect to such requested extension. The Company may, in accordance with Section 8.06, designate another bank or other financial institution (which may be, but need not be, an extending Lender) to replace a non-extending Lender. On the date of termination of any Lender's Commitment as contemplated by this paragraph, the respective participations of the other Lenders in all outstanding Letters of Credit and Swingline Loans shall be redetermined on the basis of their respective Commitments after giving effect to such termination, and the participation therein of the Lender whose Commitment is terminated shall terminate; *provided* that the Borrowers shall, if and to the extent necessary to permit such redetermination of participations in Letters of Credit and Swingline Loans within the limits of the Commitments which are not terminated, prepay on such date all or a portion of the outstanding Loans or, to the extent that such redetermination cannot be effected within the limits of the Commitments even after all outstanding Loans have been prepaid, then the Borrowers shall Cash Collateralize the Letters of Credit to the extent of the excess, and such redetermination and termination of participations in outstanding Letters of Credit and Swingline Loans shall be conditioned upon their having done so.

Section 2.02. *Notice of Borrowings.* The Borrower shall give the Administrative Agent notice (a "**Notice of Borrowing**") not later than 11:00 A.M. (Eastern time) on (x) the date of each Base Rate Borrowing and (y) the third Euro-Dollar Business Day before each Euro-Dollar Borrowing, specifying:

- (a) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Domestic Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing;
- (b) the aggregate amount of such Borrowing;
- (c) whether the Loans comprising such Borrowing are to bear interest initially at the Base Rate or a Euro-Dollar Rate;
- (d) in the case of a Euro-Dollar Borrowing, the duration of the initial Interest Period applicable thereto, subject to the provisions of the definition of Interest Period; and

- (e) if applicable, the designation contemplated by the definition of Borrower Maturity Date.

Unless the Borrower shall have given notice to Administrative Agent not later than 11:00 A.M. (Eastern time) on the date on which any payment of a Reimbursement Obligation is due to an Issuing Lender or on the scheduled date of maturity of a Swingline Loan to the effect that the Borrower will make such payment with funds from another source, the Borrower shall be deemed to have given a Notice of Borrowing for a Base Rate Borrowing on such date in the minimum amount permitted by Section 2.01 that equals or exceeds the amount of such Reimbursement Obligation or Swingline Loan.

Section 2.03. *Notice to Lenders; Funding of Loans.* (a) Upon receipt (or deemed receipt) of a Notice of Borrowing, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's share (if any) of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 1:00 P.M. (Eastern time) on the date of each Borrowing, each Lender participating therein shall (except as provided in subsection (c) of this Section) make available its share of such Borrowing, in Federal or other immediately available funds, to the Administrative Agent at its address specified in or pursuant to Section 9.01. Unless the Administrative Agent determines that any applicable condition specified in Article 3 has not been satisfied, the Administrative Agent will disburse the funds so received from the Lenders to an account designated by an Approved Officer of the Borrower; *provided* that to the extent that all or a portion of such Borrowing is to be applied to a Reimbursement Obligation or a Swingline Loan of the Borrower as contemplated by Sections 2.02 and 2.18(h), the Administrative Agent shall distribute to the applicable Issuing Lender or the Swingline Lender, as the case may be, the appropriate portion of such funds.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to 1:00 P.M. (Eastern time) on the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available to the Administrative Agent on the date of such Borrowing in accordance with subsection (b) of this Section 2.03 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such share available to the Administrative Agent, such Lender and, if such Lender shall not have made such payment within two Domestic Business Days of demand therefor, the Borrower agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.06 and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Loan included in such Borrowing for purposes of this Agreement.

(d) The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make a Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make a Loan to be made by such other Lender.

Section 2.04. *Registry; Notes.* (a) The Administrative Agent shall maintain a register (the "Register") on which it will record the Commitment of each Lender, each Loan made by such Lender and each repayment of any Loan made by such Lender. Any such recordation by the Administrative Agent on the Register shall be conclusive, absent manifest error. Failure to make any such recordation, or any error in such recordation, shall not affect the Borrowers' obligations hereunder.

(b) Each Borrower hereby agrees that, promptly upon the request of any Lender at any time, such Borrower shall deliver to such Lender a duly executed Note, in substantially the form of Exhibit A hereto, payable to such Lender or its registered assigns as permitted pursuant to Section 9.06 and representing the obligation of such Borrower to pay the unpaid principal amount of the Loans made to such Borrower by such Lender, with interest as provided herein on the unpaid principal amount from time to time outstanding.

(c) Each Lender shall record the date, amount and maturity of each Loan (including Swingline Loans) made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and each Lender receiving a Note pursuant to this Section, if such Lender so elects in connection with any transfer or enforcement of its Note, may endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; *provided* that the failure of such Lender to make any such recordation or endorsement shall not affect the obligations of any Borrower hereunder or under the Notes. Such Lender is hereby irrevocably authorized by each Borrower so to endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

Section 2.05. *Maturity of Loans.* Each Revolving Credit Loan made by any Lender shall mature, and the principal amount thereof shall be due and payable together with accrued interest thereon, on the earlier of the Commitment Termination Date of such Lender and the applicable Borrower Maturity Date (if any).

Section 2.06. *Interest Rates.* (a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the sum of the Applicable Margin for such day plus the Base Rate for such day. Such interest shall be payable quarterly in arrears on each Quarterly Payment Date, at maturity and on the date of termination of the Commitments in their entirety. Any overdue principal of or overdue interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the Applicable Margin for such day plus the Base Rate for such day.

(b) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for each day during each Interest Period applicable thereto, at a rate per annum equal to the sum of the Applicable Margin for such day plus the London Interbank Offered Rate applicable to such Interest Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof.

The "London Interbank Offered Rate" applicable to any Interest Period means the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or, if such service is not available, substitute for such service providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to U.S. dollar deposits that are offered to leading banks in the London interbank deposit market) at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days prior to the commencement of such Interest Period, as the rate for U.S. dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not so available at such time for any reason, then the "London Interbank Offered Rate" for such Interest Period shall be the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective rates per annum at which deposits in U.S. dollars are offered to leading banks in the London interbank market at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days before the first day of such Interest Period in an amount approximately equal to the principal amount of the Loan of such leading banks to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

(c) Any overdue principal of or overdue interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 1% plus the higher of (i) the sum of the Applicable Margin for such day plus the London Interbank Offered Rate applicable to such Loan at the date such payment was due and (ii) the rate applicable to Base Rate Loans for such day.

(d) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder. The Administrative Agent shall give prompt notice to the Borrower and the participating Lenders by facsimile of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error unless the Borrower raises an objection thereto within five Domestic Business Days after receipt of such notice.

Section 2.07. *Fees*Section 2.08. . (a) *Facility Fees*. Each Borrower shall pay to the Administrative Agent, for the account of the Lenders ratably in proportion to their related Borrower Exposures, a facility fee calculated for each day at the Facility Fee Rate for such day (determined in accordance with the Pricing Schedule) on the aggregate amount of such Borrower's Borrower Exposures on such day. Such facility fee shall accrue for each day from and including the Initial Effective Date but excluding the day on which the related Borrower Exposures are reduced to zero.

(b) *Letter of Credit Fees.* The Borrower shall pay to the Administrative Agent (i) for the account of the Lenders ratably a letter of credit fee accruing daily on the aggregate amount then available for drawing under all outstanding Letters of Credit issued for its account at a rate per annum equal to the then Applicable Margin for Euro-Dollar Loans and (ii) for the account of each Issuing Lender a letter of credit fronting fee accruing daily on the aggregate amount then available for drawing under all Letters of Credit issued by such Issuing Lender for its account at a rate per annum of 0.20% (or such other rate as may be mutually agreed from time to time by the Borrower and such Issuing Lender).

(c) *Ticking Fee.* The Company shall pay to the Administrative Agent, for the account of the Lenders ratably in proportion to their Percentages, a ticking fee calculated for each day at the Facility Fee Rate for such day (determined in accordance with the Pricing Schedule) on the aggregate amount of Delayed Additional Commitments, such fee to accrue beginning on the date that is 90 days after the Initial Effective Date and ending on the earliest of (i) the Second Effective Date, (ii) July 8, 2012, and (iii) the date on which the Merger Agreement is terminated.

(d) *Payments.* Accrued fees under this Section for the account of any Lender shall be payable quarterly in arrears on each Quarterly Payment Date and upon such Lender's Commitment Termination Date (and, if later, the date the Borrower Exposure of such Lender in respect of any Borrower is reduced to zero).

Section 2.09. *Optional Termination or Reduction of Sublimits; Changes to Sublimits* Section 2.10. (a) The Company may, upon not less than three Domestic Business Days' notice to the Administrative Agent, reallocate amounts of the Commitments among the respective Sublimits of the Borrowers (i.e., reduce the Sublimits of one or more Borrowers and increase the Sublimits of one or more other Borrowers by the same aggregate amount); provided (i) each Sublimit shall be a multiple of \$5,000,000 at all times, (ii) a Borrower's Sublimit may not be reduced to an amount less than the sum of the aggregate outstanding principal amount of Loans to such Borrower plus the aggregate amount of Letter of Credit Liabilities in respect of Letters of Credit issued for its account, (iii) a Borrower's Sublimit may not be increased to an amount greater than its Maximum Sublimit, (iv) the sum of the Sublimits of the respective Borrowers shall at all times equal the aggregate amount of the Commitments and (v) any such increase in a Borrower's Sublimit shall be accompanied or preceded by evidence reasonably satisfactory to the Administrative Agent as to appropriate corporate authorization therefor.

(b) Each Borrower other than the Company may, upon at least three Domestic Business Days' notice to the Administrative Agent, reduce its Sublimit (i) to zero, if no Loans to it or Letter of Credit Liabilities for its account are outstanding or (ii) by an amount of \$10,000,000 or any larger multiple of \$5,000,000 so long as, after giving effect to such reduction, its Sublimit is not less than the sum of the aggregate principal amount of Loans outstanding to it and the aggregate Letter of Credit Liabilities outstanding for its account. Upon any reduction in the Sublimit of a Borrower to zero pursuant to this Section 2.08(b), such Borrower shall cease to be a Borrower hereunder. The aggregate amount of the Commitments will be automatically and simultaneously

reduced by the amount of each reduction in any Sublimit pursuant to this Section 2.08(b) or pursuant to Section 6.01.

Section 2.11. *Method of Electing Interest Rates*Section 2.12. (a) The Loans included in each Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject in each case to the provisions of Article 8 and the last sentence of this subsection (a)), as follows:

- (i) if such Loans are Base Rate Loans, the Borrower may elect to convert such Loans to Euro-Dollar Loans as of any Euro-Dollar Business Day; and
- (ii) if such Loans are Euro-Dollar Loans, the Borrower may elect to convert such Loans to Base Rate Loans or elect to continue such Loans as Euro-Dollar Loans for an additional Interest Period, subject to Section 2.13 in the case of any such conversion or continuation effective on any day other than the last day of the then current Interest Period applicable to such Loans.

Each such election shall be made by delivering a notice (a "Notice of Interest Rate Election") to the Administrative Agent not later than 11:00 A.M. (Eastern time) on the third Euro-Dollar Business Day before the conversion or continuation selected in such notice is to be effective. A Notice of Interest Rate Election may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Group of Loans; *provided* that (i) such portion is allocated ratably among the Loans comprising such Group and (ii) the portion to which such notice applies, and the remaining portion to which it does not apply, are each \$10,000,000 or any larger multiple of \$1,000,000.

- (b) Each Notice of Interest Rate Election shall specify:
 - (i) the Group of Loans (or portion thereof) to which such notice applies;
 - (ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of subsection 2.09(a) above;
 - (iii) if the Loans comprising such Group are to be converted, the new type of Loans and, if the Loans being converted are to be Euro-Dollar Loans, the duration of the next succeeding Interest Period applicable thereto; and
 - (iv) if such Loans are to be continued as Euro-Dollar Loans for an additional Interest Period, the duration of such additional Interest Period.

Each Interest Period specified in a Notice of Interest Rate Election shall comply with the provisions of the definition of the term "Interest Period".

(c) Promptly after receiving a Notice of Interest Rate Election from the Borrower pursuant to subsection 2.09(a) above, the Administrative Agent shall notify each Lender of the contents thereof and such notice shall not thereafter be revocable by the Borrower. If no Notice of Interest Rate Election is timely received prior to the end of an Interest Period for any Group of Loans, the Borrower shall be deemed to have elected that such Group of Loans be converted to Base Rate Loans as of the last day of such Interest Period.

(d) An election by the Borrower to change or continue the rate of interest applicable to any Group of Loans pursuant to this Section shall not constitute a "Borrowing" subject to the provisions of Section 3.03.

Section 2.13. *Mandatory Termination of Commitments.* The Commitment of each Lender shall terminate on such Lender's Commitment Termination Date.

Section 2.14. *Optional Prepayments.* (a) The Borrower may (i) upon notice to the Administrative Agent not later than 11:00 A.M. (Eastern time) on any Domestic Business Day prepay on such Domestic Business Day any Group of Base Rate Loans and (ii) upon at least three Euro-Dollar Business Days' notice to the Administrative Agent not later than 11:00 A.M. (Eastern time) prepay any Group of Euro-Dollar Loans, in each case in whole at any time, or from time to time in part in amounts aggregating \$5,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment and together with any additional amounts payable pursuant to Section 2.13. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Lenders included in such Group or Borrowing.

(b) Upon receipt of a notice of prepayment pursuant to this Section, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's share (if any) of such prepayment and such notice shall not thereafter be revocable by the Borrower.

Section 2.15. *General Provisions as to Payments.* (a) The Borrower shall make each payment of principal of, and interest on, the Loans and of fees hereunder, not later than 1:00 P.M. (Eastern time) on the date when due, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address referred to in Section 9.01 and without reduction by reason of any set-off, counterclaim or deduction of any kind. The Administrative Agent will promptly distribute to each Lender in like funds its ratable share of each such payment received by the Administrative Agent for the account of the Lenders. Whenever any payment of principal of, or interest on, the Base Rate Loans, Swingline Loans or Letter of Credit Liabilities or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for

payment thereof shall be the next preceding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

Section 2.16. *Funding Losses.* If the Borrower makes any payment of principal with respect to any Euro-Dollar Loan (other than payments made by an Assignee pursuant to Section 8.06(a) or by the Borrower pursuant to Section 8.06(b) in respect of a Defaulting Lender's Euro-Dollar Loans) or any Euro-Dollar Loan is converted to a Base Rate Loan or continued as a Euro-Dollar Loan for a new Interest Period (pursuant to Article 2, 6 or 8 or otherwise) on any day other than the last day of an Interest Period applicable thereto, or if the Borrower fails to borrow, prepay, convert or continue any Euro-Dollar Loans after notice has been given to any Lender in accordance with Section 2.03(a), 2.09(c) or 2.11(b), the Borrower shall reimburse each Lender within 15 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or conversion or failure to borrow, prepay, convert or continue; *provided* that such Lender shall have delivered to the Borrower a certificate setting forth in reasonable detail the calculation of the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

Section 2.17. *Computation of Interest and Fees.* Interest based on clause (a) of the definition of Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and all fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.18. *Letters of Credit.*

(a) Subject to the terms and conditions hereof, each Issuing Lender agrees to issue Letters of Credit hereunder from time to time until the fifth Domestic Business Day prior to its Commitment Termination Date upon the request and for the account of any Borrower; *provided* that, immediately after each Letter of Credit is issued, (i) the

Utilization Limits shall not be exceeded and (ii) the aggregate amount of the Letter of Credit Liabilities shall not exceed ~~\$1,000,000,000~~ \$100,000,000. Upon the date of issuance by the Issuing Lender of a Letter of Credit, the Issuing Lender shall be deemed, without further action by any party hereto, to have sold to each Lender, and each Lender shall be deemed, without further action by any party hereto, to have purchased from the Issuing Lender, a participation to the extent of its Percentage in such Letter of Credit and the related Letter of Credit Liabilities.

(b) The Borrower shall give the Issuing Lender notice at least three Domestic Business Days prior to the requested issuance of a Letter of Credit, or in the case of a Letter of Credit substantially in the form of Exhibit G, at least one Business Day prior to the requested issuance of such Letter of Credit, specifying the date such Letter of Credit is to be issued and describing the terms of such Letter of Credit (such notice, including any such notice given in connection with the extension of a Letter of Credit, a "Notice of Issuance"), substantially in the form of Exhibit F, appropriately completed. Upon receipt of a Notice of Issuance, the Issuing Lender shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender of the contents thereof and of the amount of such Lender's participation in such Letter of Credit. The issuance by the Issuing Lender of each Letter of Credit shall, in addition to the conditions precedent set forth in Article 3, be subject to the conditions precedent that such Letter of Credit shall be denominated in U.S. dollars and shall be in such form and contain such terms as shall be reasonably satisfactory to the Issuing Lender. Unless otherwise notified by the Administrative Agent, the Issuing Lender may, but shall not be required to, conclusively presume that all conditions precedent set forth in Article 3 have been satisfied. The Borrower shall also pay to each Issuing Lender for its own account issuance, drawing, amendment and extension charges in the amounts and at the times as agreed between the Borrower and such Issuing Lender. Except for non-substantive amendments to any Letter of Credit for the purpose of correcting errors or ambiguities or to allow for administrative convenience (which amendments each Issuing Lender may make in its discretion with the consent of the Borrower), the amendment, extension or renewal of any Letter of Credit shall be deemed to be an issuance of such Letter of Credit. If any Letter of Credit contains a provision pursuant to which it is deemed to be automatically renewed unless notice of termination is given by the Issuing Lender of such Letter of Credit, the Issuing Lender shall timely give notice of termination if (i) as of close of business on the seventeenth day prior to the last day upon which the Issuing Lender's notice of termination may be given to the beneficiaries of such Letter of Credit, the Issuing Lender has received a notice of termination from the Borrower or a notice from the Administrative Agent that the conditions to issuance of such Letter of Credit have not been satisfied or (ii) the renewed Letter of Credit would have a term not permitted by subsection (c) below.

(c) No Letter of Credit shall have a term extending beyond the first anniversary of the Commitment Termination Date of the applicable Issuing Lender.

(d) Upon receipt from the beneficiary of any applicable Letter of Credit of any notice of a drawing under such Letter of Credit, the Issuing Lender shall notify the Administrative Agent and the Administrative Agent shall promptly notify the Borrower

and each other Lender as to the amount to be paid as a result of such demand or drawing and the payment date. The Borrower shall be irrevocably and unconditionally obligated forthwith to reimburse the Issuing Lender for any amounts paid by the Issuing Lender upon any drawing under any Letter of Credit without presentment, demand, protest or other formalities of any kind. All such amounts paid by the Issuing Lender and remaining unpaid by the Borrower shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the Base Rate for such day plus, if such amount remains unpaid for more than two Domestic Business Days, 1%. In addition, each Lender will pay to the Administrative Agent, for the account of the applicable Issuing Lender, immediately upon such Issuing Lender's demand at any time during the period commencing after such drawing until reimbursement therefor in full by the Borrower, an amount equal to such Lender's ratable share of such drawing (in proportion to its participation therein), together with interest on such amount for each day from the date of the Issuing Lender's demand for such payment (or, if such demand is made after 12:00 Noon (Eastern time) on such date, from the next succeeding Domestic Business Day) to the date of payment by such Lender of such amount at a rate of interest per annum equal to the Federal Funds Rate and, if such amount remains unpaid for more than five Domestic Business Days after the Issuing Lender's demand for such payment, at a rate of interest per annum equal to the Base Rate plus 1%. The Issuing Lender will pay to each Lender ratably all amounts received from the Borrower for application in payment of its reimbursement obligations in respect of any Letter of Credit, but only to the extent such Lender has made payment to the Issuing Lender in respect of such Letter of Credit pursuant hereto.

(e) The obligations of the Borrower and each Lender under subsection 2-15(d) above shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including without limitation the following circumstances:

- (i) the use which may be made of the Letter of Credit by, or any acts or omission of, a beneficiary of a Letter of Credit (or any Person for whom the beneficiary may be acting);
- (ii) the existence of any claim, set-off, defense or other rights that the Borrower may have at any time against a beneficiary of a Letter of Credit (or any Person for whom the beneficiary may be acting), the Lenders (including the Issuing Lender) or any other Person, whether in connection with this Agreement or the Letter of Credit or any document related hereto or thereto or any unrelated transaction;
- (iii) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (iv) payment under a Letter of Credit to the beneficiary of such Letter of Credit against presentation to the Issuing Lender of a draft or certificate that does not comply with the terms of the Letter of Credit; *provided that the*

determination by the Issuing Lender to make such payment shall not have been the result of its willful misconduct or gross negligence; or

(v) any other act or omission to act or delay of any kind by any Lender (including the Issuing Lender), the Administrative Agent or any other Person or any other event or circumstance whatsoever that might, but for the provisions of this subsection (v), constitute a legal or equitable discharge of the Borrower's or the Lender's obligations hereunder.

(f) The Borrower hereby indemnifies and holds harmless each Lender (including the Issuing Lender) and the Administrative Agent from and against any and all claims, damages, losses, liabilities, costs or expenses which such Lender or the Administrative Agent may incur (including, without limitation, any claims, damages, losses, liabilities, costs or expenses which the Issuing Lender may incur by reason of or in connection with (i) the failure of any other Lender to fulfill or comply with its obligations to such Issuing Lender hereunder (but nothing herein contained shall affect any rights the Borrower may have against any Defaulting Lender) or (ii) any litigation arising with respect to any Letter of Credit issued under this Agreement (whether or not the Issuing Lender shall prevail in such litigation)), and none of the Lenders (including the Issuing Lender) nor the Administrative Agent nor any of their officers or directors or employees or agents shall be liable or responsible, by reason of or in connection with the execution and delivery or transfer of or payment or failure to pay under any Letter of Credit, including without limitation any of the circumstances enumerated in subsection 2.15(e) above, as well as (i) any error, omission, interruption or delay in transmission or delivery of any messages, by mail, facsimile or otherwise, (ii) any loss or delay in the transmission of any document required in order to make a drawing under a Letter of Credit and (iii) any consequences arising from causes beyond the control of the Issuing Lender, including, without limitation, any government acts or any other circumstances whatsoever, in making or failing to make payment under such Letter of Credit; *provided* that the Borrower shall not be required to indemnify the Issuing Lender for any claims, damages, losses, liabilities, costs or expenses, and the Borrower shall have a claim for direct (but not consequential) damage suffered by it, to the extent found by a court of competent jurisdiction to have been caused by (x) the willful misconduct or gross negligence of the Issuing Lender in determining whether a request presented under any Letter of Credit complied with the terms of such Letter of Credit or (y) the Issuing Lender's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of the Letter of Credit. Nothing in this subsection 2.15(f) is intended to limit the obligations of the Borrower under any other provision of this Agreement. To the extent the Borrower does not indemnify the Issuing Lender as required by this subsection, the Lenders agree to do so ratably in accordance with their Commitments.

(g) The Issuing Lender shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the Issuing Lender shall have all of the benefits and immunities (i) provided to the Administrative Agent in Article 7 (other than Sections 7.08 and 7.09) with respect to any acts taken or omissions suffered by the Issuing Lender in connection with Letters of Credit issued by it

or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article 7 included the Issuing Lender with respect to such acts or omissions and (ii) as additionally provided herein with respect to the Issuing Lender.

(h) On (i) the Initial Effective Date, each Issuing Lender that has issued an Existing Duke Letter of Credit shall be deemed, without further action by any party hereto, to have granted to each Lender, and each Lender shall be deemed, without further action by any party hereto, to have acquired from the Issuing Lender, a participation in such Existing Duke Letter of Credit and the related Letter of Credit Liabilities in the proportion its respective Commitment bears to the aggregate Commitments and (ii) the Second Effective Date, each Issuing Lender that has issued an Existing Progress Letter of Credit shall be deemed, without further action by any party hereto, to have granted to each Lender, and each Lender shall be deemed, without further action by any party hereto, to have acquired from the Issuing Lender, a participation in such Existing Progress Letter of Credit and the related Letter of Credit Liabilities in the proportion its respective Commitment bears to the aggregate Commitments. On and after the Initial Effective Date, each Existing Duke Letter of Credit shall constitute a Letter of Credit for all purposes hereof, and on and after the Second Effective Date, each Existing Progress Letter of Credit shall constitute a Letter of Credit for all purposes hereof and, in the case of each Existing Progress Letter of Credit, shall be deemed to have been issued hereunder at the request and for the account of the Company.

(i) By the 90th day preceding the Commitment Termination Date of the Issuing Lender (or if such 90th day is not a Domestic Business Day, then on the next preceding Domestic Business Day) (and on any subsequent date of issuance of a Long-Dated Letter of Credit), the Borrower shall Cash Collateralize all outstanding Long-Dated Letters of Credit (or such Long-Dated Letter or Credit).

(j) Any increase in the Commitments pursuant to Section 2.17 shall be subject to the condition that each Issuing Lender that at the time has an outstanding Letter of Credit shall have given its written consent to each Additional Lender and each increase in the Commitment of an existing Lender (such consent not to be unreasonably withheld or delayed). The Company shall request a similar consent from any other Issuing Lender (not to be unreasonably withheld or delayed) prior to requesting a Letter of Credit to be issued by such Issuing Lender. Any such other Issuing Lender that refuses to so consent shall thereupon cease to be an Issuing Lender hereunder, although the provisions of this Agreement applicable to Issuing Lenders shall continue to apply to it with respect to the period during which such Lender was an Issuing Lender. Any such Issuing Lender's refusal to consent shall have no impact on any increases in the Commitments previously made.

(k) The participation of each Lender in any outstanding Letter of Credit, and its obligations under this Section 2.15 with respect thereto, shall terminate on its Commitment Termination Date, *provided* that if and to the extent required hereunder, the Borrower shall have timely Cash Collateralized each such Letter of Credit.

Section 2.19. *Regulation D Compensation.* In the event that a Lender is required to maintain reserves of the type contemplated by the definition of “Euro-Dollar Reserve Percentage”, such Lender may require the Borrower to pay, contemporaneously with each payment of interest on the Euro-Dollar Loans, additional interest on the related Euro-Dollar Loan of such Lender at a rate per annum determined by such Lender up to but not exceeding the excess of (i) (A) the applicable London Interbank Offered Rate divided by (B) one minus the Euro-Dollar Reserve Percentage over (ii) the applicable London Interbank Offered Rate. Any Lender wishing to require payment of such additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Euro-Dollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Euro-Dollar Business Days after the giving of such notice and (y) shall notify the Borrower at least three Euro-Dollar Business Days prior to each date on which interest is payable on the Euro-Dollar Loans of the amount then due it under this Section. Each such notification shall be accompanied by such information as the Borrower may reasonably request.

“Euro-Dollar Reserve Percentage” means for any day, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of “Eurocurrency liabilities” (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents).

Section 2.20. *Increase in Commitments; Additional Lenders.* (a) Subsequent to the Initial Effective Date, and so long as no Default then exists or would result therefrom and the representations and warranties of the Borrowers contained herein are true and correct at such time, the Company may, upon at least 30 days’ notice to the Administrative Agent (which shall promptly provide a copy of such notice to the Lenders), propose to increase the aggregate amount of the Commitments in an aggregate amount of up to ~~\$2,000,000,000~~ \$1,500,000,000 (the amount of any such increase, the “Increased Commitments”). Each Lender party to this Agreement at such time shall have the right (but no obligation), for a period of 15 days following receipt of such notice, to elect by notice to the Company and the Administrative Agent to increase its Commitment hereunder.

(b) If any Lender party to this Agreement shall not elect to increase its Commitment pursuant to subsection (a) of this Section, the Company may designate another bank or other lenders (which may be, but need not be, one or more of the existing Lenders) which at the time agree to (i) in the case of any such lender that is an existing Lender, increase its Commitment and (ii) in the case of any other such lender (an “Additional Lender”), become a party to this Agreement. The sum of the increases in the Commitments of the existing Lenders pursuant to this subsection (b) plus the

Commitments of the Additional Lenders shall not in the aggregate exceed the unsubscribed amount of the Increased Commitments.

(e) An increase in the aggregate amount of the Commitments pursuant to this Section 2.17 shall become effective upon the receipt by the Administrative Agent of an agreement in form and substance satisfactory to the Administrative Agent signed by the Borrowers, by each Additional Lender, by each other Lender whose Commitment is to be increased and by each Issuing Lender whose consent is required pursuant to Section 2.15(j), setting forth the new Commitments of such Lenders and setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof, together with such evidence of appropriate corporate authorization on the part of the Borrowers with respect to the Increased Commitments and such opinions of counsel for the Borrowers with respect to the Increased Commitments as the Administrative Agent may reasonably request.

Upon any increase in the aggregate amount of the Commitments pursuant to this Section 2.17, (i) the respective Letter of Credit Liabilities and Swingline Exposures of the Lenders shall be redetermined as of the effective date of such increase and (ii) within five Domestic Business Days, in the case of any Group of Base Rate Loans then outstanding, and at the end of the then current Interest Period with respect thereto, in the case of any Group of Euro-Dollar Loans then outstanding, the Borrower shall prepay such Group of Loans in its entirety and, to the extent the Borrower elects to do so and subject to the conditions specified in Article 3, the Borrower shall reborrow Revolving Credit Loans from the Lenders in proportion to their respective Commitments after giving effect to such increase, until such time as all outstanding Revolving Credit Loans are held by the Lenders in such proportion. In connection with any increase in the aggregate amount of the Commitments pursuant to this Section, (i) the respective Sublimits of the Borrowers shall be increased by an equal aggregate amount as the Company may direct by notice to the Administrative Agent, subject to the limitations set forth in Section 2.08(a) and (ii) the amount of the Maximum Sublimit of each Borrower shall increase ratably on a percentage basis by the same percentage as the Commitments are increased.

Section 2.21. *Swingline Loans.* (a) *Agreement to Lend.* From time to time prior to the Swingline Termination Date, subject to the terms and conditions hereof, the Swingline Lender agrees to make Swingline Loans to each Borrower pursuant to this subsection; *provided that*, immediately after each Swingline Loan is made (i) the Utilization Limits are not exceeded and (ii) the aggregate outstanding principal amount of all Swingline Loans does not exceed \$350,000,000. Each Swingline Loan shall be in a principal amount of \$1,000,000 or any larger multiple thereof. No Swingline Loan may be used to refinance an outstanding Swingline Loan. Within the foregoing limits, the Borrower may borrow under this Section 2.18, prepay Swingline Loans and reborrow at any time prior to the Swingline Termination Date under this Section 2.18.

(b) *Swingline Borrowing Procedure.* The Borrower shall give the Swingline Lender notice not later than 2:00 P.M. (Eastern time) on the date of each Swingline Loan, specifying the amount of such Loan and the date of such borrowing, which shall be a Domestic Business Day. Not later than 3:00 P.M. (Eastern time) on the date of each

Swingline Loan, the Swingline Lender shall, unless it determines that any applicable condition specified in Article 3 has not been satisfied, make available the amount of such Swingline Loan, in Federal or other immediately available funds, to the Borrower at the Swingline Lender's address specified in or pursuant to Section 9.01.

(c) *Interest.* Each Swingline Loan shall bear interest on the outstanding principal amount thereof, payable at maturity, at a rate per annum equal to the sum of the LIBOR Market Index Rate plus the Applicable Margin for such day (or such other rate per annum as the Swingline Lender and the Borrower may mutually agree). Such interest shall be payable at the maturity of such Swingline Loan and, with respect to the principal amount of any Swingline Loan prepaid pursuant to subsection (d) or (e) below, upon the date of such prepayment. Any overdue principal or interest on any Swingline Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of the Base Rate for such day plus 1%.

(d) *Maturity; Mandatory Prepayment.* Each Swingline Loan shall mature, and the principal amount thereof shall be due and payable, on the earlier of the date falling ten Domestic Business Days after such Loan is made and the Swingline Termination Date. In addition, on the date of each Borrowing of Revolving Credit Loans pursuant to Section 2.01, the Administrative Agent shall apply the proceeds thereof to prepay all Swingline Loans then outstanding.

(e) *Optional Prepayment.* The Borrower may prepay any Swingline Loan in whole at any time, or from time to time in part in a principal amount of \$1,000,000 or any larger multiple thereof, by giving notice of such prepayment to the Swingline Lender not later than 2:00 P.M. (Eastern time) on the date of prepayment.

(f) *Euro-Dollar Protections.* The Swingline Lender shall be entitled to the benefits of Sections 8.03 and 8.04 with respect to the Swingline Loans, and solely for this purpose such Swingline Loan shall be deemed to be a Euro-Dollar Loan having an Interest Period from and including the date such Swingline Loan was made to but not including its maturity date.

(g) *Payments.* All payments to any Swingline Lender under this Section 2.09 shall be made to it at its address specified in or pursuant to Section 9.01 in Federal or other immediately available funds, not later than 3:00 P.M. (Eastern time) on the date of payment.

(h) *Refunding Unpaid Swingline Loans.* If (w) any Swingline Loan is not paid in full on its maturity date and the Swingline Lender so requests, (x) the Swingline Loans become immediately due and payable pursuant to Article 6, (y) the Commitments terminate at a time any Swingline Loans are outstanding, or (z) requested by the Swingline Lender by written notice given to the Administrative Agent not later than 10:00 A.M. (Eastern time) on any Business Day, the Administrative Agent shall, by notice to the Lenders (including the Swingline Lender, in its capacity as a Lender), require each Lender to pay to the Administrative Agent for the account of the Swingline Lender an amount equal to such Lender's Percentage of the aggregate unpaid principal

amount of the Swingline Loans described in clause (w), (x), (y) or (z) above, as the case may be. Such notice shall specify the date on which such payments are to be made, which shall be the first Domestic Business Day after such notice is given. Not later than 3:00 P.M. (Eastern time) on the date so specified, each Lender shall pay the amount so notified to it to the Administrative Agent at its address specified in or pursuant to Section 9.01, in Federal or other funds immediately available in New York City. Promptly upon receipt thereof, the Administrative Agent shall remit such amounts to the Swingline Lender. The amount so paid by each Lender shall constitute a Base Rate Loan to the Borrower and shall be applied by the Swingline Lender to repay the outstanding Swingline Loans.

(i) *Purchase of Participations in Swingline Loans.* If at the time Loans would have otherwise been made pursuant to Section 2.18(h), one of the events described in Section 6.01(g) or Section 6.01(h) with respect to the Borrower shall have occurred and be continuing or the Commitments shall have terminated, each Lender shall, on the date such Loans would have been made pursuant to the notice from the Administrative Agent to the Lenders referred to in Section 2.18(h) (the "Refunding Date"), purchase an undivided participating interest in the relevant Swingline Loans in an amount equal to such Lender's Percentage of the principal amount of each such Swingline Loan. On the Refunding Date, each Lender shall transfer to the Administrative Agent, for the account of the Swingline Lender, in immediately available funds, such amount.

(j) *Payments on Participated Swingline Loans.* Whenever, at any time after the Swingline Lender has received from any Lender such Lender's payment pursuant to Section 2.18(i), the Swingline Lender receives any payment on account of the Swingline Loans in which the Lenders have purchased participations pursuant to Section 2.18(i), its receipt of such payment will be as agent for and for the account of each such Lender and the Swingline Lender will promptly distribute to each such Lender its ratable share of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded); *provided* that in the event that such payment received by the Swingline Lender is required to be returned, each such Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(k) *Obligations to Refund or Purchase Participations in Swingline Loans Absolute.* Each Lender's obligation to fund a Loan as provided in Section 2.18(h) or to purchase a participating interest pursuant to Section 2.18(i) shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any set-off, counterclaim, recoupment, defense or other right which such Lender, any Borrower or any other Person may have against the Swingline Lender or any other Person, (ii) the occurrence or continuance of a Default or the termination or reduction of any Commitments, any adverse change in the condition (financial or otherwise) of any Borrower or any other Person, any breach of this Agreement by any Borrower, any other Lender or any other Person or any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

Section 2.22. *Defaulting Lenders.* If any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender, to the extent permitted by applicable law:

(a) (i) facility fees shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender pursuant to Section 2.07(a) and the Aggregate Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder and (ii) ticking fees (if any) shall cease to accrue on the Delayed Additional Commitments of such Defaulting Lender pursuant to Section 2.07(c);

(b) if any Letter of Credit Liabilities or Swingline Loans exist at the time such Lender becomes a Defaulting Lender then:

(i) so long as no Default shall exist with respect to the Borrower, all or any part of the Letter of Credit Liabilities and Swingline Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Percentages but only to the extent the Utilization Limits after giving effect to such reallocation are not exceeded;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within two Domestic Business Days following notice by the Administrative Agent Cash Collateralize (or in the case of Swingline Exposure, prepay) for the benefit of the Issuing Lender or Swingline Lender, as applicable, only the Borrower's obligations corresponding to such Defaulting Lender's Letter of Credit Liabilities and Swingline Exposure, as applicable, (after giving effect to any partial reallocation pursuant to clause (i) above) for so long as such Letter of Credit Liabilities and Swingline Exposure remain outstanding;

(iii) to the extent that the Borrower Cash Collateralizes any portion of such Defaulting Lender's Letter of Credit Liabilities pursuant to clause (ii) above, the Borrower shall not be required to pay any fees pursuant to Section 2.07(a) or pursuant to Section 2.07(b) for the account of such Defaulting Lender during the period such Defaulting Lender's Letter of Credit Liabilities are so Cash Collateralized;

(iv) to the extent that the Letter of Credit Liabilities of the non-Defaulting Lenders are reallocated pursuant to clause (i) above, then the letter of credit fees payable to the Lenders pursuant to Section 2.07(b) shall be adjusted in accordance with such non-Defaulting Lenders' Percentages;

(v) to the extent that all or any portion of such Defaulting Lender's Letter of Credit Liabilities is neither reallocated nor Cash Collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Lender or any other Lender hereunder, all letter of credit fees payable under Section 2.07(b) with respect to such Defaulting Lender's Letter of Credit

Liabilities shall be payable to the Issuing Lender until all such Letter of Credit Liabilities are reallocated and/or Cash Collateralized;

(vi) so long as such Lender is a Defaulting Lender, no Issuing Lender shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding Letter of Credit Liabilities will be 100% covered by the Commitments of the non-Defaulting Lenders and/or Cash Collateral will be provided by the Borrower in accordance with Section 2.19(b)(ii), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.19(b)(i) (and such Defaulting Lender shall not participate therein); and

(vii) so long as such Lender is a Defaulting Lender, no Swingline Lender shall be required to make any Swingline Loan, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding Swingline Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or Cash Collateral will be provided by the Borrower in accordance with Section 2.19(b)(ii), and participating interests in any new Swingline Loan shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.19(b)(i) (and such Defaulting Lender shall not participate therein);

(c) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of a Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 6 or otherwise) shall be applied at such time or times as may be determined by the Administrative Agent as follows:

(i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder;

(ii) second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Lender or Swingline Lender hereunder;

(iii) third, to Cash Collateralize the Letter of Credit Liabilities and Swingline Exposure of such Defaulting Lender in accordance with Section 2.19(b) (including to replace any Cash Collateral previously provided by the Borrower);

(iv) fourth, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent;

(v) fifth, if so determined by the Administrative Agent and the Company, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the future Letter of Credit Liabilities and Swingline Exposure of such Defaulting Lender with respect

to future Letters of Credit issued under this Agreement, in accordance with Section 2.19(b);

(vi) sixth, to the payment of any amounts owing to the Lenders, the Issuing Lenders or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuing Lender or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement;

(vii) seventh, so long as no Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by any Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and

(viii) eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 3.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments without giving effect to Section 2.19(b).

Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.19(c) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto; and

(d) in the event that the Administrative Agent, the Company and the Issuing Lenders agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Letter of Credit Liabilities of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Percentage; *provided*, that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE 3
CONDITIONS

Section 3.01. *Initial Effective Date.* This Agreement shall become effective on the date that each of the following conditions shall have been satisfied (or waived in accordance with Section 9.05(a)):

- (a) receipt by the Administrative Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it of facsimile or other written confirmation from such party of execution of a counterpart hereof by such party);
- (b) receipt by the Administrative Agent of (i) an opinion of internal counsel of each Borrower, substantially in the form of Exhibit B hereto and (ii) an opinion of Robinson, Bradshaw & Hinson, P.A., special counsel for the Borrowers, substantially in the form of Exhibit C hereto, and, in each case, covering such additional matters relating to the transactions contemplated hereby as the Required Lenders may reasonably request;
- (c) receipt by the Administrative Agent of a certificate signed by a Vice President, the Treasurer, an Assistant Treasurer or the Controller of the Company, dated the Initial Effective Date, to the effect set forth in clauses (c) and (d) of Section 3.03 (without giving effect to the parenthetical in such clause (d));
- (d) receipt by the Administrative Agent of all documents it may have reasonably requested prior to the date hereof relating to the existence of the Borrowers, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent;
- (e) receipt by the Administrative Agent of evidence satisfactory to it that the upfront fees, arrangement fees, administrative agency fees and expenses payable by the Company and the Borrowers on the Initial Effective Date have been paid; and
- (f) receipt by the Administrative Agent of evidence reasonably satisfactory to it that all principal of any loans outstanding under, and all accrued interest and fees under, the Existing Credit Agreement shall have been paid in full;

provided that the Commitments shall not become effective unless all of the foregoing conditions are satisfied not later than December 31, 2011. The Administrative Agent shall promptly notify the Company and the Lenders of the Initial Effective Date, and such notice shall be conclusive and binding on all parties hereto.

Section 3.02. *Second Effective Date.* The Delayed Additional Commitments shall become effective on the date that each of the following conditions shall have been satisfied (or waived in accordance with Section 9.05(a)):

- (a) the Merger Effective Date shall have occurred;
- (b) receipt by the Administrative Agent of counterparts of the Joinder Agreement signed by each of the Progress Borrowers (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it of facsimile or other written confirmation from such party of execution of a counterpart hereof by such party);
- (c) receipt by the Administrative Agent of (i) an opinion of internal counsel of each Progress Borrower, substantially in the form of Exhibit B hereto and (ii) an opinion of Robinson, Bradshaw & Hinson, P.A., special counsel for the Borrowers, substantially in the form of Exhibit C hereto, and, in each case, covering such additional matters relating to the transactions contemplated hereby as the Required Lenders may reasonably request;
- (d) receipt by the Administrative Agent of (i) a certificate signed by a Vice President, the Treasurer, an Assistant Treasurer or the Controller of the Company, dated the Second Effective Date, to the effect set forth in clause (c) of Section 3.03 with respect to the Company and (ii) a certificate signed by a Vice President, the Treasurer, an Assistant Treasurer or the Controller of the Progress Borrowers, dated the Second Effective Date, to the effect set forth in clauses (c) and (d) of Section 3.03 (without giving effect to the parenthetical in such clause (d)) with respect to the Progress Borrowers;
- (e) receipt by the Administrative Agent of evidence reasonably satisfactory to it that all principal of any loans outstanding under, and all accrued interest and fees under, the Existing Progress Credit Agreements and the Existing Progress Parent LC Facility shall have been paid in full;
- (f) receipt by the Administrative Agent of the executed Progress Energy, Inc. Consent in the form attached hereto as Exhibit I;
- (g) receipt by the Administrative Agent of all documents it may have reasonably requested relating to the existence of the Progress Borrowers, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent; and
- (h) receipt by the Administrative Agent of evidence satisfactory to it that the upfront fees, ticking fees and expenses payable by the Company on the Second Effective Date have been paid;

provided that the Delayed Additional Commitments shall not become effective unless all of the foregoing conditions are satisfied not later than July 8, 2012. The Administrative Agent shall promptly notify the Company and the Lenders of the Second Effective Date, and such notice shall be conclusive and binding on all parties hereto.

Section 3.03. *Borrowings and Issuance of Letters of Credit.* The obligation of any Lender to make a Loan on the occasion of any Borrowing by any Borrower and the

obligation of any Issuing Lender to issue (or renew or extend the term of) any Letter of Credit at the request of any Borrower is subject to the satisfaction of the following conditions:

- (a) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.02, receipt by the Issuing Lender of a Notice of Issuance as required by Section 2.15(b), or receipt by the Swingline Lender of notice as required by Section 2.18(b), as the case may be;
- (b) the fact that, immediately after such Borrowing or issuance of such Letter of Credit, (i) the Utilization Limits shall not be exceeded, (ii) in the case of an issuance of a Letter of Credit the aggregate amount of the Letter of Credit Liabilities shall not exceed ~~\$1,000,000,000~~ \$800,000,000 and (iii) in the case of a Borrowing of a Swingline Loan, the aggregate outstanding principal amount of all Swingline Loans shall not exceed \$350,000,000;
- (c) the fact that, immediately after such Borrowing or issuance of such Letter of Credit, no Default with respect to the Borrower shall have occurred and be continuing; and
- (d) the fact that the representations and warranties of the Borrower contained in this Agreement (except the representations and warranties set forth in Sections 4.04(c) and 4.06) shall be true on and as of the date of such Borrowing or issuance of such Letter of Credit.

Each Borrowing and issuance of a Letter of Credit hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing or issuance as to the facts specified in clauses (b), (c) and (d) of this Section.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Each Borrower, severally but not jointly, represents and warrants that:

Section 4.01. *Organization and Power.* Such Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and is duly qualified to do business in each jurisdiction where such qualification is required, except where the failure so to qualify would not have a material adverse effect on the business, financial position or results of operations of such Borrower and its Consolidated Subsidiaries, considered as a whole.

Section 4.02. *Corporate and Governmental Authorization; No Contravention.* The execution, delivery and performance by such Borrower of this Agreement and the Notes are within such Borrower's powers, have been duly authorized by all necessary company action, require no action by or in respect of, or filing with, any Governmental

Authority (except for consents, authorizations or filings which have been obtained or made, as the case may be, and are in full force and effect) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the articles of incorporation, by-laws, certificate of formation or the limited liability company agreement of such Borrower or of any material agreement, judgment, injunction, order, decree or other instrument binding upon such Borrower or result in the creation or imposition of any Lien on any asset of such Borrower or any of its Material Subsidiaries.

Section 4.03. *Binding Effect.* This Agreement constitutes a valid and binding agreement of such Borrower and each Note, if and when executed and delivered by it in accordance with this Agreement, will constitute a valid and binding obligation of such Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

Section 4.04. *Financial Information.* (a) The consolidated balance sheet of such Borrower and its Consolidated Subsidiaries as of December 31, ~~2012~~2013 and the related consolidated statements of income, cash flows, capitalization and retained earnings for the fiscal year then ended, reported on by Deloitte & Touche, copies of which have been delivered to each of the Lenders by using such Borrower's Syndtrak site or otherwise made available, fairly present in all material respects, in conformity with generally accepted accounting principles, the consolidated financial position of such Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

(b) The unaudited consolidated balance sheet of such Borrower and its Consolidated Subsidiaries as of September 30, ~~2013~~2014 and the related unaudited consolidated statements of income and cash flows for the nine months then ended, copies of which have been delivered to each of the Lenders by using such Borrower's Syndtrak site or otherwise made available, fairly present in all material respects, in conformity with generally accepted accounting principles applied on a basis consistent with the financial statements referred to in subsection (a) of this Section, the consolidated financial position of such Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such nine-month period (subject to normal year-end adjustments and the absence of footnotes).

(c) Since December 31, ~~2012~~2013, there has been no material adverse change in the business, financial position or results of operations of such Borrower and its Consolidated Subsidiaries, considered as a whole, except as publicly disclosed prior to the Second Amendment Effective Date.

Section 4.05. *Regulation U.* Such Borrower and its Material Subsidiaries are not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System) and no proceeds of any Borrowing by and no issuance of Letters of Credit for the account of such Borrower will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any

margin stock. Not more than 25% of the value of the assets of such Borrower and its Material Subsidiaries is represented by margin stock.

Section 4.06. *Litigation.* Except as publicly disclosed prior to the Second Amendment Effective Date, there is no action, suit or proceeding pending against, or to the knowledge of such Borrower threatened against or affecting, such Borrower or any of its Subsidiaries before any court or arbitrator or any Governmental Authority which would be likely to be decided adversely to such Borrower or such Subsidiary and, as a result, have a material adverse effect upon the business, consolidated financial position or results of operations of such Borrower and its Consolidated Subsidiaries, considered as a whole, or which in any manner draws into question the validity of this Agreement or any Note.

Section 4.07. *Compliance with Laws.* Such Borrower and each of its Material Subsidiaries is in compliance in all material respects with all applicable laws, ordinances, rules, regulations and requirements of Governmental Authorities (including, without limitation, ERISA and Environmental Laws) except where (i) non-compliance would not have a material adverse effect on the business, financial position or results of operations of such Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) the necessity of compliance therewith is contested in good faith by appropriate proceedings.

Section 4.08. *Taxes.* Such Borrower and its Material Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by such Borrower or any such Material Subsidiary except (i) where nonpayment would not have a material adverse effect on the business, financial position or results of operations of such Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) where the same are contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of such Borrower and its Material Subsidiaries in respect of taxes or other governmental charges are, in the opinion of such Borrower, adequate.

Section 4.09. *Anti-corruption Law and Sanctions.* Such Borrower and its Material Subsidiaries have implemented and maintain in effect policies and procedures designed to prevent violations by the Company, its Subsidiaries and their respective directors, officers, employees and agents (acting in their capacity as such) of the applicable Anti-Corruption Laws and Sanctions, and such Borrower and its Material Subsidiaries are in compliance in all material respects with all applicable Anti-Corruption Laws and Sanctions, except where (i) noncompliance would not have a material adverse effect on the business, financial position or results of operations of such Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) the necessity of compliance therewith is contested in good faith by appropriate proceedings. None of (i) such Borrower or any Material Subsidiary or, (ii) to the knowledge of such Borrower, any director, officer or employee of such Borrower or any Material Subsidiary or (iii) to the knowledge of such Borrower, any agent of such Borrower or any Material Subsidiary acting in any capacity in connection with or benefitting from the credit facility established hereby, is a Sanctioned Person.

ARTICLE 5
COVENANTS

Each Borrower, severally but not jointly, agrees that, so long as any Lender has any Commitment hereunder with respect to such Borrower or any amount payable hereunder remains unpaid by such Borrower or any Letter of Credit Liabilities remain outstanding (unless such Letter of Credit Liabilities have been Cash Collateralized):

Section 5.01. *Information.* Such Borrower will deliver to each of the Lenders:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of such Borrower, a consolidated balance sheet of such Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, cash flows, capitalization and retained earnings for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on in a manner consistent with past practice and with applicable requirements of the Securities and Exchange Commission by Deloitte & Touche or other independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 60 days (75 days in the case of Duke Energy Kentucky) after the end of each of the first three quarters of each fiscal year of such Borrower, a consolidated balance sheet of such Borrower and its Consolidated Subsidiaries as of the end of such quarter and the related consolidated statements of income and cash flows for such quarter and for the portion of such Borrower's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of such Borrower's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation in all material respects, generally accepted accounting principles and consistency (except as provided by Section 1.02) by an Approved Officer of such Borrower;

(c) within the maximum time period specified for the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of an Approved Officer of such Borrower (i) setting forth in reasonable detail the calculations required to establish whether such Borrower was in compliance with the requirements of Section 5.10 on the date of such financial statements and (ii) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which such Borrower is taking or proposes to take with respect thereto;

(d) within five days after any officer of such Borrower with responsibility relating thereto obtains knowledge of any Default, if such Default is then continuing, a certificate of an Approved Officer of such Borrower setting forth the details thereof and the action which such Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent)

and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which such Borrower shall have filed with the Securities and Exchange Commission;

(f) if and when any member of such Borrower's ERISA Group (i) gives or is reasonably expected to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Material Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Material Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Material Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose material liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Material Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Material Plan pursuant to Section 4063 of ERISA, a copy of such notice; (vii) receives notice of the cessation of operations at a facility of any member of the ERISA Group in the circumstances described in Section 4062(e) of ERISA; or (viii) fails to make any payment or contribution to any Material Plan or makes any amendment to any Material Plan which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer or the chief accounting officer of such Borrower setting forth details as to such occurrence and action, if any, which such Borrower or applicable member of the ERISA Group is required or proposes to take;

(g) promptly, notice of any change in the ratings of such Borrower referred to in the Pricing Schedule; and

(h) from time to time such additional information regarding the financial position or business of such Borrower and its Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request.

Information required to be delivered pursuant to these Sections 5.01(a), 5.01(b) and 5.01(e) shall be deemed to have been delivered on the date on which such information has been posted on the Securities and Exchange Commission website on the Internet at sec.gov/edaux/searches.htm, on such Borrower's Syndtrak site or at another website identified in a notice from such Borrower to the Lenders and accessible by the Lenders without charge; *provided* that (i) a certificate delivered pursuant to Section 5.01(c) shall also be deemed to have been delivered upon being posted to such Borrower's Syndtrak site and (ii) such Borrower shall deliver paper copies of the information referred to in Sections 5.01(a), 5.01(b) and 5.01(e) to any Lender which requests such delivery.

Section 5.02. *Payment of Taxes.* Such Borrower will pay and discharge, and will cause each of its Material Subsidiaries to pay and discharge, at or before maturity, all their tax liabilities, except where (i) nonpayment would not have a material adverse effect on the business, financial position or results of operations of such Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) the same may be contested in good faith by appropriate proceedings, and will maintain, and will cause each of its Material Subsidiaries to maintain, in accordance with generally accepted accounting principles, appropriate reserves for the accrual of any of the same.

Section 5.03. *Maintenance of Property; Insurance.* (a) Such Borrower will keep, and will cause each of its Material Subsidiaries to keep, all property necessary in its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not have a material adverse effect on the business, financial position or results of operations of such Borrower and its Consolidated Subsidiaries, considered as a whole.

(b) Such Borrower will, and will cause each of its Material Subsidiaries to, maintain (either in the name of such Borrower or in such Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all their respective properties in at least such amounts and against at least such risks (and with such risk retention) as are usually insured against by companies of established repute engaged in the same or a similar business; *provided* that self-insurance by such Borrower or any such Material Subsidiary, shall not be deemed a violation of this covenant to the extent that companies engaged in similar businesses and owning similar properties self-insure; and will furnish to the Lenders, upon request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried.

Section 5.04. *Maintenance of Existence.* Such Borrower will preserve, renew and keep in full force and effect, and will cause each of its Material Subsidiaries to preserve, renew and keep in full force and effect their respective corporate or other legal existence and their respective rights, privileges and franchises material to the normal conduct of their respective businesses; *provided* that nothing in this Section 5.04 shall prohibit the termination of any right, privilege or franchise of such Borrower or any such Material Subsidiary or of the corporate or other legal existence of any such Material Subsidiary, or the change in form of organization of such Borrower or any such Material Subsidiary, if such Borrower in good faith determines that such termination or change is in the best interest of such Borrower, is not materially disadvantageous to the Lenders and, in the case of a change in the form of organization of such Borrower, the Administrative Agent has consented thereto.

Section 5.05. *Compliance with Laws.* Such Borrower will comply, and cause each of its Material Subsidiaries to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of Governmental Authorities (including, without limitation, ERISA, applicable Sanctions and Anti-Corruption Laws and Environmental Laws) except where (i) noncompliance would not have a material adverse effect on the business, financial position or results of operations of such

Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) the necessity of compliance therewith is contested in good faith by appropriate proceedings.

Section 5.06. *Books and Records.* Such Borrower will keep, and will cause each of its Material Subsidiaries to keep, proper books of record and account in which full, true and correct entries shall be made of all financial transactions in relation to its business and activities in accordance with its customary practices; and will permit, and will cause each such Material Subsidiary to permit, representatives of any Lender at such Lender's expense (accompanied by a representative of such Borrower, if such Borrower so desires) to visit any of their respective properties, to examine any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants, all upon such reasonable notice, at such reasonable times and as often as may reasonably be desired.

Section 5.07. *Negative Pledge.* Such Borrower will not create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

- (a) Liens granted by such Borrower existing as of the Initial Effective Date, securing Indebtedness outstanding on the date of this Agreement in an aggregate principal amount not exceeding \$100,000,000;
- (b) the Lien of such Borrower's Mortgage Indenture (if any) securing Indebtedness outstanding on the Initial Effective Date or issued thereafter;
- (c) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into such Borrower and not created in contemplation of such event;
- (d) any Lien existing on any asset prior to the acquisition thereof by such Borrower and not created in contemplation of such acquisition;
- (e) any Lien on any asset securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset; *provided* that such Lien attaches to such asset concurrently with or within 180 days after the acquisition thereof;
- (f) any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of the foregoing clauses of this Section; *provided* that such Indebtedness is not increased (except by accrued interest, prepayment premiums and fees and expenses incurred in connection with such refinancing, extension, renewal or refunding) and is not secured by any additional assets;
- (g) Liens for taxes, assessments or other governmental charges or levies not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with generally accepted accounting principles;

(h) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by law, created in the ordinary course of business and for amounts not past due for more than 60 days or which are being contested in good faith by appropriate proceedings which are sufficient to prevent imminent foreclosure of such Liens, are promptly instituted and diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with generally accepted accounting principles;

(i) Liens incurred or deposits made in the ordinary course of business (including, without limitation, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations or arising as a result of progress payments under government contracts;

(j) easements (including, without limitation, reciprocal easement agreements and utility agreements), rights-of-way, covenants, consents, reservations, encroachments, variations and other restrictions, charges or encumbrances (whether or not recorded) affecting the use of real property;

(k) Liens with respect to judgments and attachments which do not result in an Event of Default;

(l) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases (permitted under the terms of this Agreement), public or statutory obligations, surety, stay, appeal, indemnity, performance or other obligations arising in the ordinary course of business;

(m) other Liens including Liens imposed by Environmental Laws arising in the ordinary course of its business which (i) do not secure Indebtedness, (ii) do not secure any obligation in an amount exceeding \$100,000,000 at any time at which Investment Grade Status does not exist as to such Borrower and (iii) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(n) Liens securing obligations under Hedging Agreements entered into to protect against fluctuations in interest rates or exchange rates or commodity prices and not for speculative purposes, provided that such Liens run in favor of a Lender hereunder or a Person who was, at the time of issuance, a Lender;

(o) Liens not otherwise permitted by the foregoing clauses of this Section on assets of such Borrower securing obligations in an aggregate principal or face amount at any date not to exceed ~~(i) in the case of each of the Company and Duke Energy Carolinas, \$750,000,000 and (ii) in the case of each other, 15% of the Consolidated Net Assets of such Borrower, \$150,000,000; and~~

(p) Liens on the fuel used by the Progress Borrowers in their power generating businesses; ~~and~~

(q) Liens on regulatory assets up to the amount approved by state legislatures and/or regulatory orders.

Section 5.08. *Consolidations, Mergers and Sales of Assets.* Such Borrower will not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer, directly or indirectly, Substantial Assets to any Person (other than a Subsidiary of such Borrower); *provided that such Borrower may merge with another Person if such Borrower is the Person surviving such merger and, after giving effect thereto, no Default shall have occurred and be continuing.* Notwithstanding the foregoing, Duke Energy Ohio shall be permitted to transfer its generation assets consistent with the Opinion and Order of the Public Utilities Commission of Ohio, issued on November 22, 2011, in PUCO Case No. 11-3549.

Section 5.09. *Use of Proceeds.* The proceeds of the Loans and Letters of Credit made under this Agreement will be used by such Borrower for its general corporate purposes, including liquidity support for commercial paper and acquisitions. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any "margin stock" within the meaning of Regulation U. None of such proceeds will be used for the purpose of knowingly financing the activities of or any transactions with any Sanctioned Person or in any country or territory that is the subject of Sanctions applicable to the Company and its Subsidiaries and where the financed activity would be prohibited by such applicable Sanctions, at the time of such financing.

Section 5.10. *Indebtedness/Capitalization Ratio.* The ratio of Consolidated Indebtedness of such Borrower to Consolidated Capitalization of such Borrower as at the end of any fiscal quarter of such Borrower will not exceed 65%.

ARTICLE 6 DEFAULTS

Section 6.01. *Events of Default.* If one or more of the following events ("Events of Default") with respect to a particular Borrower shall have occurred and be continuing:

- (a) such Borrower shall fail to pay when due any principal of any Loan to it or any Reimbursement Obligation owed by it or shall fail to pay, within five days of the due date thereof, any interest, fees or any other amount payable by it hereunder;
- (b) such Borrower shall fail to observe or perform any covenant contained in Sections 5.04, 5.07, 5.08, 5.10 or the second or third sentence of 5.09, inclusive;
- (c) such Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after notice thereof has been given to such Borrower by the Administrative Agent at the request of any Lender;

- (d) any representation, warranty, certification or statement made by such Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made (or deemed made);
- (e) such Borrower or any of its Material Subsidiaries shall fail to make any payment in respect of Material Debt (other than Loans to and Reimbursement Obligations of such Borrower hereunder) when due or within any applicable grace period;
- (f) any event or condition shall occur and shall continue beyond the applicable grace or cure period, if any, provided with respect thereto so as to result in the acceleration of the maturity of Material Debt;
- (g) such Borrower or any of its Material Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or shall fail generally to, pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;
- (h) an involuntary case or other proceeding shall be commenced against such Borrower or any of its Material Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 90 days; or an order for relief shall be entered against such Borrower or any of its Material Subsidiaries under the federal bankruptcy laws as now or hereafter in effect;
- (i) any member of such Borrower's ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of ~~\$50,000,000~~ \$150,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans of such ERISA Group having aggregate Unfunded Vested Liabilities in excess of ~~\$100,000,000~~ \$150,000,000 (collectively, a "Material Plan") shall be filed under Title IV of ERISA by any member of such ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Material Plan or a proceeding shall be instituted by a fiduciary of any such Material Plan against any member of such ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 90 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any such Material Plan must be terminated;

(j) a judgment or other court order for the payment of money in excess of ~~\$100,000,000~~ \$150,000,000 shall be rendered against such Borrower or any of its Material Subsidiaries and such judgment or order shall continue without being vacated, discharged, satisfied or stayed or bonded pending appeal for a period of 45 days; or

(k) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) other than trustees and participants in employee benefit plans of the Company and its Subsidiaries or the Endowment or Trust, shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Exchange Act) of 50% or more of the outstanding shares of common stock of the Company; during any period of twelve consecutive calendar months, individuals who were directors of the Company on the first day of such period (together with (i) any directors appointed pursuant to the Merger Agreement and (ii) any successors nominated or appointed by then incumbent directors in the ordinary course) shall cease to constitute a majority of the board of directors of the Company; or in the case of any Borrower other than the Company, such Borrower shall cease to be a Subsidiary of the Company;

then, and in every such event, the Administrative Agent shall (i) if requested by Lenders having more than 66-2/3% in aggregate amount of the Commitments, by notice to such Borrower terminate the Commitments as to such Borrower and they shall thereupon terminate, and such Borrower shall no longer be entitled to borrow hereunder, and the Sublimit of such Borrower shall be reduced to zero, and (ii) if requested by Lenders holding more than 66-2/3% in aggregate principal amount of the Loans and Reimbursement Obligations of such Borrower, by notice to such Borrower declare such Loans and Reimbursement Obligations (together with accrued interest thereon) to be, and such Loans and Reimbursement Obligations (together with accrued interest thereon) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower; *provided* that in the case of any of the Events of Default specified in clause (g) or (h) above with respect to such Borrower, without any notice to such Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall thereupon terminate with respect to such Borrower and the Loans and Reimbursement Obligations of such Borrower (together with accrued interest thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower.

Section 6.02. *Notice of Default* Section 1.03. The Administrative Agent shall give notice to a Borrower under Section 6.01(c) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders and the Issuing Lenders thereof.

Section 6.03. *Cash Collateral*. Each Borrower agrees, in addition to the provisions of Section 6.01 hereof, that upon the occurrence and during the continuance of any Event of Default with respect to such Borrower, it shall, if requested by the Administrative Agent upon the instruction of the Lenders having at least 66 2/3% in the aggregate amount of the Commitments (or, if the Commitments shall have been terminated, holding at least 66 2/3% of the Letter of Credit Liabilities for the account of

such Borrower), Cash Collateralize all Letters of Credit for the account of such Borrower then outstanding at such time; *provided* that upon the occurrence of any Event of Default specified in Section 6.01(g) or 6.01(h) with respect to such Borrower, such Borrower shall do so forthwith without any notice or demand or any other act by the Administrative Agent or the Lenders.

ARTICLE 7
THE ADMINISTRATIVE AGENT

Section 7.01. *Appointment and Authorization.* Each Lender irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Notes as are delegated to the Administrative Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

Section 7.02. *Administrative Agent and Affiliates.* Wells Fargo shall have the same rights and powers under this Agreement as any other Lender and may exercise or refrain from exercising the same as though it were not the Administrative Agent, and Wells Fargo and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with any Borrower or any Subsidiary or affiliate of any Borrower as if it were not the Administrative Agent hereunder.

Section 7.03. *Action by Administrative Agent.* The obligations of the Administrative Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, the Administrative Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article 6.

Section 7.04. *Consultation with Experts.* The Administrative Agent may consult with legal counsel (who may be counsel for a Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

Section 7.05. *Liability of Administrative Agent.* Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be liable to any Lender for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Lenders or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any Borrower; (iii) the satisfaction of any condition specified in Article 3, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Administrative Agent shall not incur any liability by acting in reliance

upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, facsimile or similar writing) believed by it in good faith to be genuine or to be signed by the proper party or parties. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

Section 7.06. Indemnification. Each Lender shall, ratably in accordance with its portion of the Aggregate Exposures, indemnify the Administrative Agent and its Related Parties (to the extent not reimbursed or indemnified by the Borrowers) against any cost, expense (including counsel fees and disbursements), claim, demand, action, loss, penalties or liability (except such as result from such indemnitees' gross negligence or willful misconduct) that such indemnitees may suffer or incur in connection with this Agreement or any action taken or omitted by the Administrative Agent in its capacity as such, or by any Related Party acting for the Administrative Agent in connection with such capacity.

Section 7.07. Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

Section 7.08. Successor Administrative Agent.

(a) The Administrative Agent may resign at any time by giving notice thereof to the Lenders and the Borrowers. Upon any such resignation, (i) the Company, with the consent of the Required Lenders (such consent not to be unreasonably withheld or delayed), or (ii) if an Event of Default has occurred and is continuing, then the Required Lenders, shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent gives notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$250,000,000.

(b) If the Person serving as Administrative Agent is a Defaulting Lender, (i) the Company, with the consent of the Required Lenders (such consent not to be unreasonably withheld or delayed), or (ii) if an Event of Default has occurred and is continuing, then the Required Lenders, shall have the right to appoint a successor Administrative Agent.

(c) Upon the acceptance of its appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, duties and obligations of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder; *provided* that if such successor Administrative Agent is appointed without the consent of the Company, such successor Administrative Agent may be replaced by the Company with the consent of the Required Lenders so long as no Event of Default has occurred and is continuing at the time. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent.

(d) The fees payable by the Company to any successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor.

Section 7.09. *Administrative Agent's Fee.* The Company shall pay to the Administrative Agent for its own account fees in the amounts and at the times previously agreed upon between the Company and the Administrative Agent.

Section 7.10. *Other Agents.* None of the Co-Syndication Agents or the Co-Documentation Agents, in their respective capacities as such, shall have any duties or obligations of any kind under this Agreement.

ARTICLE 8 CHANGE IN CIRCUMSTANCES

Section 8.01. *Basis for Determining Interest Rate Inadequate or Unfair.* If on or prior to the first day of any Interest Period for any Euro-Dollar Borrowing:

(a) the Administrative Agent ~~is advised by the Euro-Dollar Reference Lenders determines (which determination shall be conclusive absent manifest error)~~ that deposits in dollars (in the applicable amounts) are not being offered to ~~the Euro-Dollar Reference Lenders or~~ financial institutions in general in the relevant market for such Interest Period, or

(b) Lenders having 66-2/3% or more of the aggregate amount of the affected Loans advise the Administrative Agent that the London Interbank Offered Rate as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lenders of funding their Euro-Dollar Loans for such Interest Period,

the Administrative Agent shall forthwith give notice thereof to the Borrowers and the Lenders, whereupon until the Administrative Agent notifies the Borrowers that the circumstances giving rise to such suspension no longer exist, (i) the obligations of the Lenders to make Euro-Dollar Loans or to continue or convert outstanding Loans as or into Euro-Dollar Loans shall be suspended and (ii) each outstanding Euro-Dollar Loan shall be converted into a Base Rate Loan on the last day of the then current Interest

Period applicable thereto. Unless the Borrower notifies the Administrative Agent at least one Domestic Business Day before the date of any Euro-Dollar Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, such Borrowing shall instead be made as a Base Rate Borrowing.

Section 8.02. *Illegality.* If any Change In Law shall make it unlawful or impossible for any Lender (or its Euro-Dollar Lending Office) to make, maintain or fund any of its Euro-Dollar Loans and such Lender shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Lenders and the Borrowers, whereupon until such Lender notifies the Borrowers and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Lender to make Euro-Dollar Loans, or to continue or convert outstanding Loans as or into Euro-Dollar Loans, shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section, such Lender shall designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not be otherwise disadvantageous to such Lender in the good faith exercise of its discretion. If such notice is given, each Euro-Dollar Loan of such Lender then outstanding shall be converted to a Base Rate Loan either (a) on the last day of the then current Interest Period applicable to such Euro-Dollar Loan if such Lender may lawfully continue to maintain and fund such Loan to such day or (b) immediately if such Lender shall determine that it may not lawfully continue to maintain and fund such Loan to such day.

Section 8.03. *Increased Cost and Reduced Return.* (a) If any Change In Law (i) shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended by, any Lender (or its Applicable Lending Office); (ii) shall subject any Lender or Agent to any taxes (other than (A) Taxes, (B) taxes described in clauses (ii), (iii) or (iv) of the exclusions from the definition of Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or (iii) shall impose on any Lender (or its Applicable Lending Office) or on the London interbank market any other condition, cost or expense affecting its Euro-Dollar Loans, its Note or its obligation to make Euro-Dollar Loans or its obligations hereunder in respect of Letters of Credit and the result of any of the foregoing is to increase the cost to such Lender (or its Applicable Lending Office) of making or maintaining any Euro-Dollar Loan (or, in the case of an adoption or change with respect to taxes, any Loan) or of issuing or participating in any Letter of Credit, or to reduce the amount of any sum received or receivable by such Lender (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Lender to be material, then, within 15 days after demand by such Lender (with a copy to the Administrative Agent), each Borrower shall pay to such Lender its Appropriate Share of such additional amount or amounts as will compensate such Lender for such increased cost or reduction; *provided* that no such amount shall be payable with respect to any

period commencing more than 90 days prior to the date such Lender first notifies the Borrowers of its intention to demand compensation therefor under this Section 8.03(a).

(b) If any Lender shall have determined that any Change In Law has or would have the effect of reducing the rate of return on capital or liquidity of such Lender (or its Parent) as a consequence of such Lender's obligations hereunder to a level below that which such Lender (or its Parent) could have achieved but for such Change In Law (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within 15 days after demand by such Lender (with a copy to the Administrative Agent), each Borrower shall pay to such Lender its Appropriate Share of such additional amount or amounts as will compensate such Lender (or its Parent) for such reduction; *provided* that no such amount shall be payable with respect to any period commencing less than 30 days after the date such Lender first notifies the Borrowers of its intention to demand compensation under this Section 8.03(b).

(c) Each Lender will promptly notify the Borrowers and the Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate of any Lender claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

(d) The "Appropriate Share" of a Borrower with respect to any amount payable hereunder is the sum of (i) to the extent such amount is properly allocable to Loans and Letters of Credit outstanding hereunder, the portion of such amount properly allocable to the Loans and Letter of Credit outstanding to or for the account of such Borrower, and (ii) to the extent such amount is not properly allocable to Loans and Letters of Credit outstanding hereunder, the Appropriate Share shall be the product of the Availability Percentage of such Borrower and such amount.

Section 8.04. *Taxes.* (a) For purposes of this Section 8.04 the following terms have the following meanings:

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantially comparable) and any current or future regulations or official interpretations thereof.

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings with respect to any payment by or on account of any obligation of a Borrower pursuant to this Agreement or any Note, and all liabilities with respect thereto, *excluding* (i) in the case of each Lender and the Administrative Agent, taxes imposed on its income, net worth or gross receipts and franchise or similar taxes imposed on it by a jurisdiction under the laws of which such Lender or the

Administrative Agent (as the case may be) is organized or in which its principal executive office is located or, in the case of each Lender, in which its Applicable Lending Office is located, (ii) in the case of each Lender, any United States withholding tax imposed on such payments except to the extent that (A) such Lender is subject to United States withholding tax by reason of a U.S. Tax Law Change or (B) in the case of a Lender not listed on the signature pages hereof or a Participant, amounts with respect to such Taxes were payable pursuant to Section 8.04 to such Lender's assignor or to such Participant's participating Lender immediately before such Lender or Participant acquired the applicable interest in a Loan or Commitment; (iii) Taxes attributable to such Lender's or Administrative Agent's failure to comply with Section 8.04(d) or (e) and (iv) any U.S. Federal withholding Taxes imposed under FATCA.

"Other Taxes" means any present or future stamp or documentary taxes and any other excise or property taxes, or similar charges or levies, which arise from any payment made pursuant to this Agreement or under any Note or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note.

"U.S. Tax Law Change" means with respect to any Lender or Participant the occurrence (x) in the case of each Lender listed on the signature pages hereof, after the date of its execution and delivery of this Agreement and (y) in the case of any other Lender, after the date such Lender shall have become a Lender hereunder, and (z) in the case of each Participant, after the date such Participant became a Participant hereunder, of the adoption of any applicable U.S. federal law, U.S. federal rule or U.S. federal regulation relating to taxation, or any change therein, or the entry into force, modification or revocation of any income tax convention or treaty to which the United States is a party.

(b) Any and all payments by or any account of any Borrower to or for the account of any Lender or the Administrative Agent hereunder or under any Note shall be made without deduction for any Taxes or Other Taxes, except as required by applicable law; provided that if any Borrower or the Administrative Agent shall be required by law to deduct any Taxes or Other Taxes from any such payments, (i) the sum payable by such Borrower shall be increased as necessary so that after all required deductions are made (including deductions applicable to additional sums payable under this Section 8.04) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower or the Administrative Agent shall make such deductions, (iii) such Borrower or the Administrative Agent shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law and (iv) if the withholding agent is the Borrower, such Borrower shall furnish to the Administrative Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt evidencing payment thereof.

(c) Each Borrower agrees to indemnify each Lender and the Administrative Agent for its Appropriate Share of the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 8.04) paid by such Lender or the Administrative

Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be paid within 15 days after such Lender or the Administrative Agent (as the case may be) makes demand therefor.

(d) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Lender listed on the signature pages hereof and on or prior to the date on which it becomes a Lender in the case of each other Lender, and from time to time thereafter as required by law or requested by any Borrower or the Administrative Agent (but only so long as such Lender remains lawfully able to do so), shall provide the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) with whichever of the following is applicable (including any successor forms prescribed by the Internal Revenue Service):

(i) in the case of a Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest hereunder or under any Note, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments hereunder or under any Note, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate reasonably acceptable to the Administrative Agent to the effect that such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(iv) to the extent a Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Lender is a partnership and one or more direct or indirect partners of such Lender are claiming the portfolio interest exemption, such Lender may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner.

(e) Any Lender that is organized under the laws of a jurisdiction within the United States shall deliver to the Borrower and the Administrative Agent on or prior to

the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax.

(f) If a payment made to a Lender hereunder or under any Note would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) If a Lender, which is otherwise exempt from or subject to a reduced rate of withholding tax, becomes subject to Taxes because of its failure to deliver a form required hereunder, the Borrowers shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

(i) If any Borrower is required to pay additional amounts to or for the account of any Lender pursuant to this Section 8.04, then such Lender will take such action (including changing the jurisdiction of its Applicable Lending Office) as in the good faith judgment of such Lender (i) will eliminate or reduce any such additional payment which may thereafter accrue and (ii) is not otherwise disadvantageous to such Lender.

(j) If any Lender or the Administrative Agent receives a refund of any Taxes or Other Taxes for which any Borrower has made a payment under Section 8.04(b) or (c) and such refund was received from the taxing authority which originally imposed such Taxes or Other Taxes, such Lender or the Administrative Agent agrees to reimburse such Borrower to the extent of such refund; *provided* that nothing contained in this paragraph (j) shall require any Lender or the Administrative Agent to seek any such refund or make available its tax returns (or any other information relating to its taxes which it deems to be confidential).

(k) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Taxes attributable to such Lender (but only to the

extent that a Borrower has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Borrowers to do so), (ii) any taxes attributable to such Lender's failure to comply with the provisions of Section 9.06(b) relating to the maintenance of a Participant Register and (iii) any taxes excluded from the definition of Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with this Agreement or any Note, and any reasonable expenses arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender hereunder or under any Note or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (k).

Section 8.05. *Base Rate Loans Substituted for Affected Euro-Dollar Loans.* If (i) the obligation of any Lender to make or to continue or convert outstanding Loans as or into Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Lender has demanded compensation under Section 8.03(a) with respect to its Euro-Dollar Loans and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Lender through the Administrative Agent, have elected that the provisions of this Section shall apply to such Lender, then, unless and until such Lender notifies the Borrowers that the circumstances giving rise to such suspension or demand for compensation no longer apply:

(a) all Loans which would otherwise be made by such Lender as (or continued as or converted to) Euro-Dollar Loans, as the case may be, shall instead be Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Lenders), and

(b) after each of its Euro-Dollar Loans has been repaid, all payments of principal which would otherwise be applied to repay such Loans shall be applied to repay its Base Rate Loans instead.

If such Lender notifies the Borrowers that the circumstances giving rise to such suspension or demand for compensation no longer exist, the principal amount of each such Base Rate Loan shall be converted into a Euro-Dollar Loan on the first day of the next succeeding Interest Period applicable to the related Euro-Dollar Loans of the other Lenders.

Section 8.06. *Substitution of Lender; Termination Option.* If (i) the obligation of any Lender to make or to convert or continue outstanding Loans as or into Euro-Dollar Loans has been suspended pursuant to Section 8.02, (ii) any Lender has demanded compensation under Section 8.03 or 8.04 (including any demand made by a Lender on behalf of a Participant), (iii) any Lender exercises its right not to extend its Commitment Termination Date pursuant to Section 2.01(b), (iv) any Lender becomes a Defaulting Lender, (v) Investment Grade Status ceases to exist as to any Lender or, (vi) for purposes of ~~Section 8.06(a)~~ below only, any Lender becomes a Non-Consenting Lender, then:

(a) the Company shall have the right, with the assistance of the Administrative Agent (or, if the Administrative Agent is a Defaulting Lender, the Required Lenders), to designate a substitute bank or banks (which may be one or more of the Lenders) mutually satisfactory to the Company and, so long as any such Persons are not Defaulting Lenders, the Administrative Agent, the Swingline Lender and the Issuing Lenders (whose consent shall not be unreasonably withheld or delayed) to purchase for cash, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit D hereto, the outstanding Loans of such Lender and assume the Commitment and Letter of Credit Liabilities of such Lender (including any Commitments, Loans and Letter of Credit Liabilities that have been participated), without recourse to or warranty by, or expense to, such Lender, for a purchase price equal to the principal amount of all of such Lender's outstanding Loans and funded Letter of Credit Liabilities plus any accrued but unpaid interest thereon and the accrued but unpaid fees in respect of such Lender's Commitment hereunder and all other amounts payable by the Borrowers to such Lender hereunder plus such amount, if any, as would be payable pursuant to Section 2.13 if the outstanding Loans of such Lender were prepaid in their entirety on the date of consummation of such assignment; and

(b) if at the time Investment Grade Status exists as to the Borrowers, the Company may elect to terminate this Agreement as to such Lender (including any Commitments, Loans and Letter of Credit Liabilities that have been participated); provided that (i) the Company notifies such Lender through the Administrative Agent (or, if the Administrative Agent is a Defaulting Lender, the Required Lenders) of such election at least three Euro-Dollar Business Days before the effective date of such termination, (ii) the Borrowers repay or prepay the principal amount of all outstanding Loans made by such Lender plus any accrued but unpaid interest thereon and the accrued but unpaid fees in respect of such Lender's Commitment hereunder plus all other amounts payable by the Borrowers to such Lender hereunder, not later than the effective date of such termination and (iii) if at the effective date of such termination, any Letter of Credit Liabilities or Swingline Loans are outstanding, the conditions specified in Section 3.03 would be satisfied (after giving effect to such termination) were the related Letters of Credit issued or the related Swingline Loans made on such date. Upon satisfaction of the foregoing conditions, the Commitment of such Lender shall terminate on the effective date specified in such notice, its participation in any outstanding Letters of Credit or Swingline Loans shall terminate on such effective date and the participations of the other Lenders therein shall be redetermined as of such date as if such Letters of Credit had been issued or such Swingline Loans had been made on such date.

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Notices.*

(a) All notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, bank wire, facsimile transmission or similar writing) and shall be given to such party: (x) in the case of any Borrower or the Administrative Agent, at its address or facsimile number set forth on the signature pages

hereof, (y) in the case of any Lender, at its address or facsimile number set forth in its Administrative Questionnaire or (z) in the case of any party, such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrowers. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Section and the appropriate answerback or confirmation slip, as the case may be, is received or (ii) if given by any other means, when delivered at the address specified in this Section; *provided* that notices to the Administrative Agent, the Swingline Lender or any Issuing Lender under Article 2 or Article 8 shall not be effective until delivered. Notices delivered through electronic communications shall be effective as and to the extent provided in subsection (b) below.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent or as otherwise determined by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Section by electronic communication. The Administrative Agent or any Borrower may, in its respective discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it or as it otherwise determines, provided that such determination or approval may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Domestic Business Day or Euro-Dollar Business Day, as applicable, for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

Section 9.02. *No Waivers.* No failure or delay by the Administrative Agent or any Lender in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.03. *Expenses; Indemnification.* (a) Each Borrower shall pay (i) its Appropriate Share of all reasonable out-of-pocket expenses of the Administrative Agent, including reasonable fees and disbursements of one special counsel for the Administrative Agent, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default with

respect to such Borrower hereunder and (ii) if an Event of Default with respect to such Borrower occurs, all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including reasonable fees and disbursements of counsel, in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom.

(b) Each Borrower agrees to indemnify each Agent and each Lender and the respective Related Parties of the foregoing (each an "Indemnitee") and hold each Indemnitee harmless from and against any and all liabilities, losses, penalties, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of one counsel for all Indemnitees taken as a whole and, in the case of any actual or potential conflict of interest, one additional counsel to each group of affected Indemnitees similarly situated taken as a whole, which may be incurred by such Indemnitee in connection with any investigative, administrative or judicial proceeding (whether or not such Indemnitee shall be designated a party thereto) relating to or arising out of this Agreement or any actual or proposed use of proceeds of Loans hereunder, in each case to the extent of such Borrower's Appropriate Share; *provided* that no Indemnitee shall have the right to be indemnified hereunder for such Indemnitee's own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

(c) To the fullest extent permitted by applicable law, each Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the transactions contemplated hereby or thereby.

Section 9.04. *Sharing of Set-offs.* Each Lender agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount then due with respect to the Loans and Letter of Credit Liabilities held by it which is greater than the proportion received by any other Lender in respect of the aggregate amount then due with respect to the Loans and Letter of Credit Liabilities held by such other Lender, the Lender receiving such proportionately greater payment shall purchase such participations in the Loans and Letter of Credit Liabilities held by the other Lenders, and such other adjustments shall be made, as may be required so that all such payments with respect to the Loans and Letter of Credit Liabilities held by the Lenders shall be shared by the Lenders pro rata; *provided* that (i) nothing in this Section shall impair the right of any Lender to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of a Borrower other than its indebtedness under this Agreement and (ii) this Section is not applicable to Swingline Loans.

Section 9.05. *Amendments and Waivers.* (a) Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by each Borrower and the Required Lenders (and, if the rights or duties of any Agent, the Swingline Lender or any Issuing Lender are affected thereby, by such Person); *provided* that no such amendment or waiver shall (x) unless signed by each adversely affected Lender, (i) increase the Commitment of any Lender or the Maximum Sublimit of any Borrower or subject any Lender to any additional obligation, (ii) reduce the principal of or rate of interest on any Loan or the amount to be reimbursed in respect of any Letter of Credit or any interest thereon or any fees hereunder, (iii) postpone the date fixed for any payment of principal of or interest on any Loan or for reimbursement in respect of any Letter of Credit or interest thereon or any fees hereunder or for termination of any Commitment, or (iv) change the provisions of Section 9.04 or of any other provision of this Agreement providing for the ratable application of payments in respect of the Loans and Letter of Credit Liabilities or (y) unless signed by all Lenders, change the definition of Required Lenders or the provisions of this Section 9.05.

(b) This Agreement may be amended by the Company to remove any other Borrower as a Borrower (a "**Removed Borrower**") hereunder subject to: (i) the receipt by the Administrative Agent of prior notice from the Company of such amendment, (ii) repayment in full of all Loans made to such Borrower, (iii) Cash Collateralization of all amounts available for drawing under Letters of Credit issued for the account of such Borrower (or the amendment of such Letter of Credit to provide for the Company as the account party) and (iv) repayment in full of all other amounts owing by such Borrower under this Agreement (it being agreed that any such repayment shall be in accordance with the other terms of this Agreement). Upon the satisfaction of the foregoing conditions the rights and obligations of such Removed Borrower hereunder shall terminate; *provided, however*, that the obligations of such Removed Borrower under Section 9.03 shall survive such amendment.

Section 9.06. *Successors and Assigns.* (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and each Indemnitee, except that no Borrower may assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Lenders.

(b) Any Lender may, with the consent (unless an Event of Default then exists) of the Company (such consent not to be unreasonably withheld or delayed), at any time grant to one or more banks or other institutions (each a "**Participant**") participating interests in its Commitment or any or all of its Loans and Letter of Credit Liabilities; *provided* that any Lender may, without the consent of any Borrower, at any time grant participating interests in its Commitment or any or all of its Loans and Letter of Credit Liabilities to another Lender, an Approved Fund or an Affiliate of such transferor Lender. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrowers, the Issuing Lenders, the Swingline Lender and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and

obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that (A) such Participant agrees to be subject to Section 8.06 as if it were an Assignee under paragraph (c) of this Section 9.06 or as if it were the Lender granting such participation and (B) such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrowers hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement described in clause (x)(i), (ii) or (iii) of Section 9.05(a) without the consent of the Participant. Each Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article 8 with respect to its participating interest, subject to the performance by such Participant of the obligations of a Lender thereunder (it being understood that the documentation required under Section 8.04 shall be delivered by the Participant to the participating Lender and the Participant agrees to be subject to the provisions of Sections 8.04(i), 8.04(j) and 8.06 as if it were an Assignee). In addition, each Lender that sells a participation agrees, at the Borrower's request, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 8.06 with respect to any Participant. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations hereunder or under any Note (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant (other than for the consent requirements set forth in the first sentence of this Section 9.06(b)) or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations hereunder or under any Note) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(c) Any Lender may at any time assign to one or more banks or other financial institutions (each an "**Assignee**") other than (x) a Borrower (y) a Subsidiary or Affiliate of a Borrower or (z) a Defaulting Lender or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender, all, or a proportionate part (equivalent to an initial Commitment of not less than \$10,000,000 (unless the Company and the Administrative Agent shall otherwise agree)) of all, of its rights and obligations under this Agreement and its Note (if any), and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit D hereto executed by such Assignee and such transferor Lender, with

(and only with and subject to) the prior written consent of the Swingline Lender, the Issuing Lenders, the Administrative Agent (which shall not be unreasonably withheld or delayed) and, so long as no Event of Default has occurred and is continuing, the Company (which shall not be unreasonably withheld or delayed); *provided* that unless such assignment is of the entire right, title and interest of the transferor Lender hereunder, after making any such assignment such transferor Lender shall have a Commitment of at least \$10,000,000 (unless the Company and the Administrative Agent shall otherwise agree). Upon execution and delivery of such instrument of assumption and payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such instrument of assumption, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Lender, the Administrative Agent and the Borrowers shall make appropriate arrangements so that, if required by the Assignee, a Note(s) is issued to the Assignee. The Assignee shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrowers and the Administrative Agent any certifications, forms or other documentation in accordance with Section 8.04. All assignments (other than assignments to Affiliates) shall be subject to a transaction fee established by, and payable by the transferor Lender to, the Administrative Agent for its own account (which shall not exceed \$3,500).

(d) Any Lender may at any time assign all or any portion of its rights under this Agreement and its Note (if any) to a Federal Reserve Bank. No such assignment shall release the transferor Lender from its obligations hereunder or modify any such obligations.

(e) No Assignee, Participant or other transferee of any Lender's rights (including any Applicable Lending Office other than such Lender's initial Applicable Lending Office) shall be entitled to receive any greater payment under Section 8.03 or 8.04 than such Lender would have been entitled to receive with respect to the rights transferred, unless such transfer is made by reason of the provisions of Section 8.02, 8.03 or 8.04 requiring such Lender to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

Section 9.07. *Collateral*. Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any "margin stock" (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

Section 9.08. *Confidentiality*. Each Agent and each Lender (i) agrees to keep any information delivered or made available by any Borrower pursuant to this Agreement confidential from anyone other than persons employed or retained by such Lender and its Affiliates who are engaged in evaluating, approving, structuring or administering the credit facility contemplated hereby and (ii) further agrees on behalf of itself and, to the

extent it has the power to do so, its Affiliates and agents, to keep all other information delivered or made available to it by any Borrower or Affiliate of any Borrower for other purposes which, (x) is marked confidential and is expressly made available subject to the terms of this section, and (y) is not otherwise subject to a confidentiality agreement, confidential from anyone other than persons employed or retained by such Lender and its Affiliates and agents who need to receive such information in furtherance of the engagement or matter pursuant to which the information is provided; *provided* that nothing herein shall prevent any Lender or, solely with respect to information disclosed in a manner set forth in clauses (b) through (g) and (k) in this Section 9.08, any Affiliate of such Lender from disclosing such information, to the extent necessary under the circumstances under which such disclosure is required, (a) to any other Lender or any Agent, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority or self-regulatory body, (d) which had been publicly disclosed other than as a result of a disclosure by any Agent or any Lender prohibited by this Agreement, (e) in connection with any litigation to which any Agent, any Lender or any Affiliate or their respective subsidiaries or Parent may be a party, (f) to the extent necessary in connection with the exercise of any remedy hereunder or other engagement or matter, (g) to such Lender's, Affiliate's or any Agent's legal counsel and independent auditors, (h) subject to provisions substantially similar to those contained in this Section 9.08, to any actual or proposed Participant or Assignee, (i) to any direct, indirect, actual or prospective counterparty (and its advisor) to any swap, derivative or securitization transaction related to the obligations under this Agreement, (j) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the loans and (k) with the consent of the Company.

Section 9.09. *Governing Law; Submission to Jurisdiction.* This Agreement and each Note (if any) shall be construed in accordance with and governed by the law of the State of New York. Each Borrower and each Lender Party hereby submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York County for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each Borrower and each Lender Party irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

Section 9.10. *Counterparts; Integration.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.11. *WAIVER OF JURY TRIAL.* EACH OF THE BORROWERS, THE AGENTS, THE ISSUING LENDERS AND THE LENDERS, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.12. *USA Patriot Act.* Each Lender hereby notifies each Borrower that pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "Act"), it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender to identify such Borrower in accordance with the Act.

Section 9.13. *Termination of Commitments Under Existing Credit Agreements.*

(a) The Borrowers and each of the Lenders that is also a "Bank" party to the Existing Credit Agreement (which Lenders constitute the "Required Banks" (as defined therein) under the Existing Credit Agreement) agree that the "Commitments" as defined in the Existing Credit Agreement shall be terminated in their entirety on the Initial Effective Date in accordance with the terms thereof. Each of such Lenders waives any requirement of notice of such termination of the Existing Credit Agreement.

(b) The Progress Borrowers, Progress Energy, Inc., through its execution of the Progress Energy, Inc. Consent in the form attached as Exhibit I, and each of the Lenders that is also a "Lender" party to any of the Existing Progress Credit Agreements (which Lenders constitute the "Majority Lenders" (as defined in each of the Existing Progress Credit Agreements) agree that the "Commitments" (as defined in each of the Existing Progress Credit Agreements) under each of the Existing Progress Credit Agreements shall be terminated in their entirety on the Second Effective Date in accordance with the terms thereof. Each of such Lenders waives any requirement of notice of such termination of any Existing Progress Credit Agreement.

(c) Progress Energy, Inc., through its execution of the Progress Energy, Inc. Consent in the form attached as Exhibit I, and Wells Fargo agree that the Existing Progress Parent LC Facility shall be terminated in its entirety on the Second Effective Date in accordance with the terms thereof.

Section 9.14. *No Fiduciary Duty.* Each Borrower agrees that in connection with all aspects of the Loans and Letters of Credit contemplated by this Agreement and any communications in connection therewith, such Borrower and its Subsidiaries, on the one hand, and the Agents, the Lenders and their respective affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agents, the Lenders or their respective affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications.

Section 9.15. *Survival.* Each party's rights and obligations under Articles 7, 8 and 9 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations hereunder or under any Note.

COMMITMENT SCHEDULE

Lender	Total Commitments
Wells Fargo Bank, National Association	\$ 315,000,000
Bank of America, N.A.	\$ 315,000,000
The Royal Bank of Scotland plc	\$ 315,000,000
Bank of China, New York Branch	\$ 315,000,000
Barclays Bank PLC	\$ 315,000,000
Citibank, N.A.	\$ 315,000,000
Credit Suisse AG, Cayman Islands Branch	\$ 315,000,000
JPMorgan Chase Bank, N.A.	\$ 315,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$ 315,000,000
UBS AG, Stamford Branch	\$ 315,000,000
BNP Paribas	\$ 247,000,000
Goldman Sachs Bank USA	\$ 247,000,000
Mizuho Bank, Ltd.	\$ 247,000,000
Morgan Stanley Bank, N.A.	\$ 247,000,000
Royal Bank of Canada	\$ 247,000,000
SunTrust Bank	\$ 247,000,000
The Bank of Nova Scotia	\$ 247,000,000
<u>U.S. Bank National Association</u>	\$ 264,000,000
Banco Bilbao Vizcaya Argentaria, S.A., New York Branch	\$ 135,000,000
Industrial and Commercial Bank of China Limited	\$ 135,000,000
KeyBank National Association	\$ 135,000,000
The Bank of New York Mellon	\$ 135,000,000
<u>U.S. Bank National Association</u>	\$ 135,000,000
The Northern Trust Company	\$ 101,000,000
Fifth Third Bank	\$ 85,000,000
Credit Agricole Corporate and Investment Bank	\$ 65,000,000
PNC Bank, National Association	\$ 65,000,000
Santander Bank, N.A.	\$ 65,000,000
TD Bank, N.A.	\$ 65,000,000
<u>Canadian Imperial Bank of Commerce, New York Branch</u>	\$ 142,000,000
<u>DNB Bank ASA, Grand Cayman Branch</u>	\$ 142,000,000
<u>HSBC Bank USA, National Association</u>	\$ 142,000,000
<u>Sumitomo Mitsui Banking Corporation</u>	\$ 142,000,000

Pricing Schedule

Each of "Applicable Margin" and "Facility Fee Rate" means, for any date, the rate set forth below in the applicable row and column corresponding to the credit rating of the applicable Borrower that exists on such date:

(basis points per annum)

Borrower's Credit Rating	at least A+ by S&P or Fitch or A1 by Moody's	at least A by S&P or Fitch or A2 by Moody's	at least A- by S&P or Fitch or A3 by Moody's	at least BBB+ by S&P or Fitch or Baa1 by Moody's	at least BBB by S&P or Fitch or Baa2 by Moody's	less than BBB by S&P or Fitch and less than Baa2 by Moody's
Facility Fee Rate	7.5	10.0	12.5	17.5	22.5	27.5
Applicable Margin						
Euro-Dollar Loans and Swingline Loans	80.0	90.0	100.0	107.5	127.5	147.5
Base Rate Loans	0.0	0.0	0.0	7.5	27.5	47.5

~~Each For purposes of the above Pricing Schedule a "Borrower must obtain a rating on its outstanding senior unsecured long term debt securities from two leading rating agencies, to include at a minimum either Credit Rating" means, as of any date of determination with respect to any Borrower, the rating as determined by one or more of Standard & Poor's, a division of the McGraw-Hill Companies, together with its successors ("S&P"), or Moody's Investors Service, together with its successors ("Moody's"), or if such a credit rating is not available Fitch Ratings Inc., together with its successors ("Fitch"), of such Borrower's non-credit-enhanced, senior unsecured long-term debt, regardless of whether any such debt is outstanding; provided that (a) if ratings exist by all three rating agencies and the respective ratings issued by two of the rating agencies are the same and one differs, the pricing level shall be determined based on the two ratings that are the same. (b) if ratings exist by all three rating agencies and none of the respective ratings are the same, the pricing level shall be determined based on the middle rating. (c) if only two ratings exist and they differ by one level, then the pricing level for the higher of such ratings shall apply; (d) if only two ratings exist and they differ by more than one level, then the pricing level that is one level lower than the pricing level of the higher rating shall apply; (e) if only one rating exists, the pricing level shall be determined based on that rating; (f) if no such rating exists for such Borrower, then a corporate credit rating from S&P or an issuer rating from Moody's, and formally notify the Administrative Agent of the current ratings. The Facility Fee Rate and Applicable Margin applicable to each Borrower will be based upon such Borrower's credit rating. The ratings in effect for any day are those in effect at the close of business on such day Fitch should be used and differences between those ratings and resolving non-existent ratings from any of those rating agencies shall be determined in the same~~

manner as set forth in clauses (a) through (e) of this proviso; and (g) if no such rating in clause (f) exists for such Borrower, the highest pricing level (less than "BBB" pricing level) shall apply. A change in credit rating will result in an immediate change in the applicable pricing. ~~In the case of split ratings from S&P and Moody's, the rating to be used to determine the applicable pricing will be the higher of the two; provided that if the rating differential is more than one notch, the applicable pricing will be based on a rating one notch lower than the higher of the two.~~

EXHIBIT A

NOTE

New York, New York
, 20

For value received, [Duke Energy Corporation., a Delaware corporation] [Duke Energy Carolinas, LLC, a North Carolina limited liability company] [Duke Energy Ohio, Inc., a Ohio corporation] [Duke Energy Indiana, Inc., an Indiana corporation] [Duke Energy Kentucky, Inc., a Kentucky corporation] [Duke Energy Progress, Inc., a North Carolina corporation] [Duke Energy Florida, Inc., a Florida corporation] (the "**Borrower**"), promises to pay to [] (the "**Lender**") or its registered assigns, for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Lender to the Borrower pursuant to the Credit Agreement referred to below on the date specified in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of Wells Fargo Bank, National Association.

All Loans made by the Lender, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Lender, and the Lender, if the Lender so elects in connection with any transfer or enforcement of its Note, may endorse on the schedule attached hereto appropriate notations to evidence the foregoing information with respect to the Loans then outstanding; *provided* that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Notes referred to in the Credit Agreement dated as of November 18, 2011 among Duke Energy Corporation and the other Borrowers party thereto, the Lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other Agents party thereto (as the same may be amended from time to time, the "**Credit Agreement**"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

[DUKE ENERGY CORPORATION]

[DUKE ENERGY CAROLINAS, LLC]

[DUKE ENERGY OHIO, INC.]

[DUKE ENERGY INDIANA, INC.]

[DUKE ENERGY KENTUCKY, INC.]

[DUKE ENERGY PROGRESS, INC.]

[DUKE ENERGY FLORIDA, INC.]

By: _____
Title:

Note (cont'd)

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By
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EXHIBIT B

OPINION OF INTERNAL COUNSEL OF THE BORROWER

[Effective Date]

To the Lenders and the Administrative Agent
Referred to Below

c/o Wells Fargo Bank, National Association
as Administrative Agent

[]
[]
[]
[]
Attn: []

Ladies and Gentlemen:

I am [title of internal counsel] of [Duke Energy Corporation] [Duke Energy Carolinas, LLC] [Duke Energy Ohio, Inc.] [Duke Energy Indiana, Inc.] [Duke Energy Kentucky, Inc.] (the "Borrower") and have acted as its counsel in connection with the Credit Agreement (the "Credit Agreement"), dated as of [], 2011, among the Borrower, the other Borrowers party thereto, the Lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other Agents party thereto. Capitalized terms defined in the Credit Agreement are used herein as therein defined. This opinion letter is being delivered pursuant to Section 3.01(b) of the Credit Agreement.

In such capacity, I or attorneys under my direct supervision have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, I am of the opinion that:

1. The Borrower is [a Delaware corporation] [a North Carolina limited liability company] [an Ohio corporation] [an Indiana corporation] [a Kentucky corporation], validly existing and in good standing under the laws of [Delaware] [North Carolina] [Ohio] [Indiana] [Kentucky].
2. The execution, delivery and performance by the Borrower of the Credit Agreement and any Notes are within the Borrower's corporate powers, have been duly

authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official (except for [list exceptions], which have been obtained or made, as the case may be, and are in full force and effect) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the articles of incorporation or by-laws of the Borrower or, to my knowledge, of any material agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or, to my knowledge, result in the creation or imposition of any Lien on any asset of the Borrower or any of its Material Subsidiaries.

3. The Credit Agreement and any Notes executed and delivered as of the date hereof have been duly executed and delivered by the Borrower.

4. Except as publicly disclosed prior to the Initial Effective Date, to my knowledge (but without independent investigation), there is no action, suit or proceeding pending or threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official, which would be likely to be decided adversely to the Borrower or such Subsidiary and, as a result, to have a material adverse effect upon the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or which in any manner draws into question the validity of the Credit Agreement or any Notes.

The phrase "to my knowledge", as used in the foregoing opinion, refers to my actual knowledge without any independent investigation as to any such matters.

I am a member of the Bar of the State of [Delaware] [North Carolina] [Ohio] [Indiana] [Kentucky] and do not express any opinion herein concerning any law other than the law of the State of [Delaware] [North Carolina] [Ohio] [Indiana] [Kentucky] and the federal law of the United States of America.

The opinions expressed herein are limited to the matters expressly stated herein, and no opinion is to be inferred or may be implied beyond the matters expressly so stated. This opinion is rendered to you in connection with the above-referenced matter and may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other Person, firm or corporation without my prior written consent, except for Additional Lenders and Assignees. My opinions expressed herein are as of the date hereof, and I undertake no obligation to advise you of any changes of applicable law or any other matters that may come to my attention after the date hereof that may affect my opinions expressed herein.

Very truly yours,

B-2

EXHIBIT C

OPINION OF
ROBINSON, BRADSHAW & HINSON, P.A.,
SPECIAL COUNSEL FOR THE BORROWER

[Effective Date]

To the Lenders and the Administrative Agent
Referred to Below

c/o Wells Fargo Bank, National Association
as Administrative Agent

[]

[]

[]

[]

Attn: []

Ladies and Gentlemen:

We have acted as counsel to [Duke Energy Corporation., a Delaware corporation] [Duke Energy Carolinas, LLC, a North Carolina limited liability company] [Duke Energy Ohio, Inc., a Ohio corporation] [Duke Energy Indiana, Inc., an Indiana corporation] [Duke Energy Kentucky, Inc., a Kentucky corporation] (the "Borrower"), in connection with the Credit Agreement (the "Credit Agreement"), dated as of [], 2011, among the Borrower, the other Borrowers party thereto, the Lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other Agents party thereto. Capitalized terms used herein and not defined shall have the meanings given to them in the Credit Agreement. This opinion letter is being delivered pursuant to Section 3.01(b) of the Credit Agreement.

In connection with this opinion, we also examined originals, or copies identified to our satisfaction, of such other documents and considered such matters of law and fact as we, in our professional judgment, have deemed appropriate to render the opinions contained herein. Where we have considered it appropriate, as to certain facts we have relied, without investigation or analysis of any underlying data contained therein, upon certificates or other comparable documents of public officials and officers or other appropriate representatives of the Borrower.

In rendering the opinions contained herein, we have assumed, among other things, that the Credit Agreement and any Notes to be executed (i) are within the Borrower's corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) have been duly executed and delivered, (iv) require no action by or in respect of, or filing

with, any governmental body, agency or official and (v) do not contravene, or constitute a default under, any provision of applicable law or regulation or of the Borrower's certificate of incorporation or by-laws or any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower. In addition, we have assumed that the Credit Agreement fully states the agreement between the Borrower and the Lenders with respect to the matters addressed therein, and that the Credit Agreement constitutes a legal, valid and binding obligation of each Lender, enforceable in accordance with its respective terms.

The opinions set forth herein are limited to matters governed by the laws of the State of North Carolina and the federal laws of the United States, and no opinion is expressed herein as to the laws of any other jurisdiction. For purposes of our opinions, we have disregarded the choice of law provisions in the Credit Agreement and, instead, have assumed with your permission that the Credit Agreement and the Notes are governed exclusively by the internal, substantive laws and judicial interpretations of the State of North Carolina. We express no opinion concerning any matter respecting or affected by any laws other than laws that a lawyer in North Carolina exercising customary professional diligence would reasonably recognize as being directly applicable to the Borrower, the Loans, or any of them.

Based upon and subject to the foregoing and the further limitations and qualifications hereinafter expressed, it is our opinion that the Credit Agreement constitutes the legal, valid and binding obligation of the Borrower and the Notes, if and when issued, will constitute legal, valid and binding obligations of the Borrower, in each case, enforceable against the Borrower in accordance with its terms.

The opinions expressed above are subject to the following qualifications and limitations:

1. Enforcement of the Credit Agreement and the Notes is subject to the effect of applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar laws affecting the enforcement of creditors' rights generally.
2. Enforcement of the Credit Agreement and the Notes is subject to the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law) by which a court with proper jurisdiction may deny rights of specific performance, injunction, self-help, possessory remedies or other remedies.
3. We do not express any opinion as to the enforceability of any provisions contained in the Credit Agreement or any Note that (i) purport to excuse a party for liability for its own acts, (ii) purport to make void any act done in contravention thereof, (iii) purport to authorize a party to act in its sole discretion, (iv) require waivers or amendments to be made only in writing, (v) purport to effect waivers of constitutional, statutory or equitable rights or the effect of applicable laws, (vi) impose liquidated damages, penalties or forfeiture, or (vii) purport to indemnify a party for its own negligence or willful misconduct. Indemnification provisions in the Credit Agreement

are subject to and may be rendered unenforceable by applicable law or public policy, including applicable securities law.

4. We do not express any opinion as to the enforceability of any provisions contained in the Credit Agreement or the Notes purporting to require a party thereto to pay or reimburse attorneys' fees incurred by another party, or to indemnify another party therefor, which may be limited by applicable statutes and decisions relating to the collection and award of attorneys' fees, including but not limited to North Carolina General Statutes § 6-21.2.

5. We do not express any opinion as to the enforceability of any provisions contained in the Credit Agreement purporting to waive the right of jury trial. Under North Carolina General Statutes § 22B-10, a provision for the waiver of the right to a jury trial is unconscionable and unenforceable.

6. We do not express any opinion as to the enforceability of any provisions contained in the Credit Agreement concerning choice of forum or consent to the jurisdiction of courts, venue of actions or means of service of process.

7. It is likely that North Carolina courts will enforce the provisions of the Credit Agreement providing for interest at a higher rate resulting from a Default or Event of Default (a "Default Rate") which rate is higher than the rate otherwise stipulated in the Credit Agreement. The law, however, disfavors penalties, and it is possible that interest at the Default Rate may be held to be an unenforceable penalty, to the extent such rate exceeds the rate applicable prior to a default under the Credit Agreement. Also, since North Carolina General Statutes § 24-10.1 expressly provides for late charges, it is possible that North Carolina courts, when faced specifically with the issue, might rule that this statutory late charge preempts any other charge (such as default interest) by a bank for delinquent payments. The only North Carolina case which we have found that addresses this issue is a 1978 Court of Appeals decision, which in our opinion is of limited precedential value, *North Carolina National Bank v. Burnette*, 38 N.C. App. 120, 247 S.E.2d 648 (1978), *rev'd on other grounds*, 297 N.C. 524, 256 S.E.2d 388 (1979). While the court in that case did allow interest after default (commencing with the date requested in the complaint) at a rate six percent in excess of pre-default interest, we are unable to determine from the opinion that any question was raised as to this being penal in nature, nor does the court address the possible question of the statutory late charge preempting a default interest surcharge. Therefore, since the North Carolina Supreme Court has not ruled in a properly presented case raising issues of its possible penal nature and those of North Carolina General Statutes § 24-10.1, we are unwilling to express an unqualified opinion that the Default Rate of interest prescribed in the Credit Agreement is enforceable.

8. We do not express any opinion as to the enforceability of any provisions contained in the Credit Agreement relating to evidentiary standards or other standards by which the Credit Agreement are to be construed.

This opinion letter is delivered solely for your benefit in connection with the Credit Agreement and, except for any Additional Lender or any Assignee which becomes a Lender pursuant to Section 2.17(b) or Section 9.06(c) of the Credit Agreement, may not be used or relied upon by any other Person or for any other purpose without our prior written consent in each instance. Our opinions expressed herein are as of the date hereof, and we undertake no obligation to advise you of any changes of applicable law or any other matters that may come to our attention after the date hereof that may affect our opinions expressed herein.

Very truly yours,

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EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

AGREEMENT dated as of _____, 20____ among [ASSIGNOR] (the "Assignor"), [ASSIGNEE] (the "Assignee"), [DUKE ENERGY CORPORATION] and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (the "Administrative Agent").

WITNESSETH

WHEREAS, this Assignment and Assumption Agreement (the "Agreement") relates to the Credit Agreement dated as of November 18, 2011 among Duke Energy Corporation and the other Borrowers party thereto, the Assignor and the other Lenders party thereto, as Lenders, the Administrative Agent and the other Agents party thereto (the "Credit Agreement");

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans to the Borrowers and participate in Letters of Credit in an aggregate principal amount at any time outstanding not to exceed \$ _____;(1)

WHEREAS, Loans made to the Borrowers by the Assignor under the Credit Agreement in the aggregate principal amount of \$ _____ are outstanding at the date hereof;

WHEREAS, Letters of Credit with a total amount available for drawing thereunder of \$ _____ are outstanding at the date hereof; and

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit Agreement in respect of a portion of its Commitment thereunder in an amount equal to \$ _____ (the "Assigned Amount"), together with a corresponding portion of its outstanding Loans and Letter of Credit Liabilities, and the Assignee proposes to accept assignment of such rights and assume the corresponding obligations from the Assignor on such terms;*

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. *Definitions.* All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

SECTION 2. *Assignment.* The Assignor hereby assigns and sells to the Assignee all of the rights of the Assignor under the Credit Agreement to the extent of the Assigned Amount, and the Assignee hereby accepts such assignment from the Assignor

(1) The asterisked provisions shall be appropriately revised in the event of an assignment after the Commitment Termination Date.

and assumes all of the obligations of the Assignor under the Credit Agreement to the extent of the Assigned Amount, including the purchase from the Assignor of the corresponding portion of the principal amount of the Loans made by, and Letter of Credit Liabilities of, the Assignor outstanding at the date hereof. Upon the execution and delivery hereof by the Assignor, the Assignee [Duke Energy Corporation] [the Issuing Lenders] and the Administrative Agent, and the payment of the amounts specified in Section 3 required to be paid on the date hereof (i) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Lender under the Credit Agreement with a Commitment in an amount equal to the Assigned Amount, and (ii) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. *Payments.* As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them.(2) It is understood that facility [and Letter of Credit] fees accrued to the date hereof in respect of the Assigned Amount are for the account of the Assignor and such fees accruing from and including the date hereof are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

SECTION 4. *Consent to Assignment.* This Agreement is conditioned upon the consent of [Duke Energy Corporation,] [the Swingline Lender,] [the Issuing Lenders] and the Administrative Agent pursuant to Section 9.06(c) of the Credit Agreement. The execution of this Agreement by [Duke Energy Corporation,] [the Issuing Lenders] and the Administrative Agent is evidence of this consent. Pursuant to Section 9.06(c) each Borrower agrees to execute and deliver a Note, if required by the Assignee, payable to the order of the Assignee to evidence the assignment and assumption provided for herein.

SECTION 5. *Non-reliance on Assignor.* The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition, or statements of any Borrower, or the validity and enforceability of the obligations of any Borrower in respect of the Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of each Borrower.

(2) Amount should combine principal together with accrued interest and breakage compensation, if any, to be paid by the Assignee. It may be preferable in an appropriate case to specify these amounts generically or by formula rather than as a fixed sum.

SECTION 6. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 7. *Counterparts.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 8. *Administrative Questionnaire.* Attached is an Administrative Questionnaire duly completed by the Assignee.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By: _____
Title:

[ASSIGNEE]

By: _____
Title:

[DUKE ENERGY CORPORATION]

By: _____
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION as Administrative Agent

By: _____
Title:

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EXHIBIT E

EXTENSION AGREEMENT

Wells Fargo Bank, National Association, as Administrative
Agent under the Credit Agreement referred to below

[]
[]
[]
[]
Attn: []

Ladies and Gentlemen:

Effective as of [date], the undersigned hereby agrees to extend its Commitment and Commitment Termination Date under the Credit Agreement dated as of November 18, 2011 (as amended by Amendment No. 1, dated as of December [18], 2013 among Duke Energy Corporation and the other Borrowers party thereto, the Lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other Agents party thereto (the "Credit Agreement") for one year to [date to which its Commitment Termination Date is to be extended] pursuant to Section 2.01(b) of the Credit Agreement. Terms defined in the Credit Agreement are used herein as therein defined.

This Extension Agreement shall be construed in accordance with and governed by the law of the State of New York. This Extension Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[NAME OF BANK]

By: _____
Title: _____

Agreed and Accepted:

DUKE ENERGY CORPORATION,
as Borrower

By: _____
Title:

DUKE ENERGY CAROLINAS, LLC,
as Borrower

By: _____
Title:

DUKE ENERGY OHIO, INC.,
as Borrower

By: _____
Title:

DUKE ENERGY INDIANA, INC.,
as Borrower

By: _____
Title:

DUKE ENERGY KENTUCKY, INC.,
as Borrower

By: _____
Title:

DUKE ENERGY PROGRESS, INC.,
as Borrower

By: _____
Title:

DUKE ENERGY FLORIDA, INC.,
as Borrower

By: _____
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: _____
Title:

EXHIBIT F

NOTICE OF ISSUANCE

Date:

To: Wells Fargo Bank, National Association, as Administrative Agent
, as Issuing Lender

From: [Duke Energy Corporation] [Duke Energy Carolinas, LLC] [Duke Energy Ohio, Inc.] [Duke Energy Indiana, Inc.] [Duke Energy Kentucky, Inc.]
[Duke Energy Progress, Inc.] [Duke Energy Florida, Inc.]

Re: Credit Agreement dated as of November 18, 2011 (as amended from time to time, the "Credit Agreement") among Duke Energy Corporation
and the other Borrowers party thereto, the Lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent and the
other Agents party thereto

[Duke Energy Corporation] [Duke Energy Carolinas, LLC] [Duke Energy Ohio, Inc.] [Duke Energy Indiana, Inc.] [Duke Energy Kentucky, Inc.]
[Duke Energy Progress, Inc.] [Duke Energy Florida, Inc.] hereby gives notice pursuant to Section 2.15(b) of the Credit Agreement that it requests the above-
named Issuing Lender to issue on or before a Letter of Credit containing the terms attached hereto as Schedule I (the "Requested Letter of
Credit").

The Requested Letter of Credit will be subject to [UCP 500] [ISP98].

[Duke Energy Corporation] [Duke Energy Carolinas, LLC] [Duke Energy Ohio, Inc.] [Duke Energy Indiana, Inc.] [Duke Energy Kentucky, Inc.]
[Duke Energy Progress, Inc.] [Progress Energy Florida, Inc.] hereby represents and warrants to the Issuing Lender, the Administrative Agent and the Lenders
that:

- (a) immediately after the issuance of the Requested Letter of Credit, (i) the Utilization Limits are not exceeded and (ii) the aggregate amount of the Letter of Credit Liabilities shall not exceed ~~\$1,000,000,000~~ \$000,000,000;
- (b) immediately after the issuance of the Requested Letter of Credit, no Default shall have occurred and be continuing; and
- (c) the representations and warranties contained in the Credit Agreement (except the representations and warranties set forth in Section 4.04(c) and Section 4.06 of the Credit Agreement) shall be true on and as of the date of issuance of the Requested Letter of Credit.

[Duke Energy Corporation] [Duke Energy Carolinas, LLC] [Duke Energy Ohio, Inc.] [Duke Energy Indiana, Inc.] [Duke Energy Kentucky, Inc.] [Duke Energy Progress, Inc.] [Duke Energy Florida, Inc.] hereby authorizes the Issuing Lender to issue the Requested Letter of Credit with such variations from the above terms as the Issuing Lender may, in its discretion, determine are necessary and are not materially inconsistent with this Notice of Issuance. The opening of the Requested Letter of Credit and [Duke Energy Corporation] [Duke Energy Carolinas, LLC] [Duke Energy Ohio, Inc.] [Duke Energy Indiana, Inc.] [Duke Energy Kentucky, Inc.] [Duke Energy Progress, Inc.] [Duke Energy Florida, Inc.]'s responsibilities with respect thereto are subject to [UCP 500] [ISP98] as indicated above and the terms and conditions set forth in the Credit Agreement.

Terms used herein and not otherwise defined herein have the meanings assigned to them in the Credit Agreement.

[DUKE ENERGY CORPORATION]

[DUKE ENERGY CAROLINAS, LLC]

[DUKE ENERGY OHIO, INC.]

[DUKE ENERGY INDIANA, INC.]

[DUKE ENERGY KENTUCKY, INC.]

[DUKE ENERGY PROGRESS, INC.,]

[DUKE ENERGY FLORIDA, INC.,]

By: _____
Title: _____

SCHEDULE I
Application and Agreement for
Irrevocable Standby Letter of Credit
To: ("Lender")

Please TYPE information in the fields below. We reserve the right to return illegible applications for clarification.

Date: The undersigned Applicant hereby requests Lender to issue and transmit by:
 Overnight Carrier Teletransmission Mail Other:
Explain:

L/C No. an Irrevocable Standby Letter of Credit (the "Credit") substantially as set forth below. In issuing the
(Lender Use Only) Credit, Lender is expressly authorized to make such changes from the terms herein below set forth as
it, in its sole discretion, may deem advisable.

Applicant (Full name & address) Advising Lender (Designate name & address only, if desired)

Beneficiary (Full name & address) Currency and amount in figures:
Currency and amount in words:
Expiration Date:

Charges: the Lender's charges are for our account; all other banking charges are to be paid by beneficiary.

Credit to be available for payment against Beneficiary's draft(s) at sight drawn on Lender or its correspondent at Lender's option accompanied by the following documents:

Statement, purportedly signed by the Beneficiary, reading as follows (please state below exact wording to appear on the statement):

Other Documents

Special Conditions (including, if Applicant has a preference, selection of UCP as herein defined or ISP98 as herein defined).

Issue substantially in form of attached specimen. (Specimen must also be signed by applicant.)

Complete only when the Beneficiary (Foreign Lender, or other Financial Institution) is to issue its undertaking based on this Credit.
 Request Beneficiary to issue and deliver their (specify type of undertaking) in favor of _____ for an amount not exceeding the amount specified above, effective immediately relative to (specify contract number or other pertinent reference) to expire on _____. (This date must be at least 15 days prior to expiry date indicated above.) It is understood that if the Credit is issued in favor of any bank or other financial or commercial entity which has issued or is to issue an undertaking on behalf of the Applicant of the Credit in connection with the Credit, the Applicant hereby agrees to remain liable under this Application and Agreement in respect of the Credit (even after its stated expiry date) until Lender is released by such bank or entity.

Each Applicant signing below affirms that it has fully read and agrees to this Application. (Note: If a bank, trust company, or other financial institution signs as Applicant or joint and several co-Applicant for its customer, or if two Applicants jointly and severally apply, both parties sign below.) Documents may be forwarded to the Lender by the beneficiary, or the negotiating bank, in one mail. Lender may forward documents to Applicant's customhouse broker, or Applicant if specified above, in one mail. Applicant understands and agrees that this Credit will be subject to the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce currently in effect, and in use by Lender ("UCP") or to the International Standby Practices of the International Chamber of Commerce, Publication 590 or any subsequent version currently in effect and in use by Lender ("ISP98").

(Print or type name of Applicant)	(Print or type name of Applicant)
(Address)	(Address)
Authorized Signature (Title)	Authorized Signature (Title)
Authorized Signature (Title)	Authorized Signature (Title)

Customer Contact: _____	Phone: _____
-------------------------	--------------

BANK USE ONLY
 NOTE: Application will NOT be processed if this section is not complete.

Approved (Authorized Signature) _____	Date: _____			
Approved (Print name and title)	City: _____			
Customer SIC Code: _____	Borrower Default Grade: _____	Telephone: _____		
Charge DDA#: _____	Fee: _____	RC #: _____	CLAS Bank #: _____	CLAS Obligor #: _____
Other (please explain): _____				

[EXHIBIT G

APPROVED FORM OF LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

BENEFICIARY:

LADIES AND GENTLEMEN:

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____, IN FAVOR OF [INSERT BENEFICIARY NAME], BY ORDER AND FOR THE ACCOUNT OF [DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, INC.], [ON BEHALF OF [INSERT NAME OF [DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, INC.]'S AFFILIATE OR SUBSIDIARY.]] AT SIGHT FOR UP TO _____ U.S. DOLLARS (_____ UNITED STATES DOLLARS) AGAINST THE FOLLOWING DOCUMENTS:

1) A BENEFICIARY'S SIGNED CERTIFICATE STATING "[DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.]/[INSERT NAME OF [DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, INC.]'S AFFILIATE OR SUBSIDIARY]] IS IN DEFAULT UNDER ONE OR MORE AGREEMENTS BETWEEN [[DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, INC.]/[INSERT NAME OF [DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, INC.]'S AFFILIATE OR SUBSIDIARY]] AND [INSERT BENEFICIARY'S NAME]."

OR

2) A BENEFICIARY'S SIGNED CERTIFICATE STATING "[INSERT BENEFICIARY'S NAME] HAS REQUESTED ALTERNATE SECURITY FROM [[DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, INC.]/[INSERT NAME OF [DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, INC.]'S AFFILIATE OR SUBSIDIARY]] AND [INSERT BENEFICIARY'S NAME]."

ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.]'S AFFILIATE OR SUBSIDIARY]] AND [DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.]/[INSERT NAME OF [DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, INC.]'S AFFILIATE OR SUBSIDIARY]] HAS NOT PROVIDED ALTERNATE SECURITY ACCEPTABLE TO [INSERT BENEFICIARY'S NAME] AND THIS LETTER OF CREDIT HAS LESS THAN TWENTY DAYS UNTIL EXPIRY."

AND

3) A DRAFT STATING THE AMOUNT TO BE DRAWN.

SPECIAL CONDITIONS:

1. PARTIAL DRAWINGS ARE PERMITTED.
2. DOCUMENTS MUST BE PRESENTED AT OUR COUNTER NO LATER THAN , WHICH IS THE EXPIRY DATE OF THIS STANDBY LETTER OF CREDIT.

WE HEREBY ENGAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT ON OR BEFORE THE EXPIRY DATE OF THIS CREDIT.

EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, 1993 REVISION, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

COMMUNICATIONS WITH RESPECT TO THIS STANDBY LETTER OF CREDIT SHALL BE IN WRITING AND SHALL BE ADDRESSED TO US AT , SPECIFICALLY REFERRING TO THE NUMBER OF THIS STANDBY LETTER OF CREDIT.

VERY TRULY YOURS
[ISSUING BANK]]

EXHIBIT H

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "Agreement"), dated as of _____, 2011, is entered into between [CAROLINA POWER & LIGHT COMPANY D/B/A PROGRESS ENERGY CAROLINAS, INC., a North Carolina corporation][FLORIDA POWER CORPORATION D/B/A PROGRESS ENERGY FLORIDA, INC., a Florida corporation] (the "New Borrower") and WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as administrative agent (the "Administrative Agent") under that certain Credit Agreement, dated as of November 18, 2011 among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc. and Duke Energy Kentucky, Inc., as borrowers, the lenders party thereto, the Administrative Agent (as the same may be amended, modified, extended or restated from time to time, the "Credit Agreement") and the other agents party thereto. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

The New Borrower and the Administrative Agent, for the benefit of the Lenders, hereby agree as follows:

1. The New Borrower hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Borrower will be deemed to be a Borrower under the Credit Agreement for all purposes of the Credit Agreement and shall have all of the obligations of a Borrower thereunder, as if it had executed the Credit Agreement. The New Borrower hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement.
2. The New Borrower represents and warrants that the representations and warranties in Article 4 of the Credit Agreement are true and correct as to it as a Borrower on and as of the date hereof.
3. The address of the New Borrower for purposes of Section 9.01 of the Credit Agreement is as follows:
4. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the New Borrower has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[CAROLINA POWER & LIGHT COMPANY D/B/A PROGRESS ENERGY
CAROLINAS, INC., a North Carolina corporation][FLORIDA POWER
CORPORATION D/B/A PROGRESS ENERGY FLORIDA, INC., a Florida
corporation]

By: _____
Name:
Title:

Acknowledged and accepted:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____
Name:
Title:

EXHIBIT I

PROGRESS ENERGY, INC. CONSENT

Reference is made to that certain Credit Agreement, dated as of November 18, 2011 among Duke Energy Corporation, as a borrower, the other borrowers party thereto, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, and the other agents party thereto (as the same may be amended, modified, extended or restated from time to time, the "Credit Agreement"). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement. In connection with the Merger, Progress Energy, Inc., a North Carolina corporation, hereby acknowledges, agrees and confirms that (a) the "Commitments" (as defined in each of the Existing Progress Credit Agreements) under the Existing Progress Parent Credit Agreement shall be terminated in their entirety on the Second Effective Date in accordance with the terms thereof, and (b) the Existing Progress Parent LC Facility shall be terminated in ~~its~~ entirety on the Second Effective Date in accordance with the terms thereof.

This consent shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, Progress Energy, Inc. has caused this consent to be duly executed by its authorized officer as of

PROGRESS ENERGY, INC., a North Carolina corporation

By: _____

Name:

Title:

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 2, 2015

Commission file
number

Registrant, State of Incorporation or Organization,
Address of Principal Executive Offices, and Telephone Number

IRS Employer
Identification No.



1-32853

DUKE ENERGY CORPORATION

20-2777218

(a Delaware corporation)
550 South Tryon Street
Charlotte, North Carolina 28202-1803
704-382-6200

1-1232

DUKE ENERGY OHIO, INC.

31-0240030

(an Ohio corporation)
139 East Fourth Street
Cincinnati, Ohio 45202
704-382-3853

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On April 6, 2015, Duke Energy Corporation (“Duke Energy”) entered into agreements with each of Goldman, Sachs & Co. and JPMorgan Chase Bank, National Association (the “Dealers”) to repurchase an aggregate of \$1.5 billion of Duke Energy common stock under an accelerated stock repurchase program (the “ASR”).

Under the terms of the ASR agreements, Duke Energy will make a \$750 million payment to each of the Dealers on April 6, 2015, and will receive an initial delivery from each of the Dealers of approximately 8.3 million shares, or approximately 16.6 million shares in the aggregate, which is approximately 85 percent of the total number of shares of Duke Energy common stock expected to be repurchased under the ASR. The final number of shares to be repurchased is dependent upon the average of the daily volume-weighted average stock prices of Duke Energy’s common stock during the term of the transaction, less a discount and subject to adjustments pursuant to the terms and conditions of the ASR agreements. Under certain circumstances the delivery of additional shares of common stock to Duke Energy or an additional delivery of shares of common stock or a cash payment, at Duke Energy’s election, by Duke Energy to the Dealers may be required. The final settlement of each of the ASR transactions is expected to occur by the end of the third quarter of 2015.

Copies of the ASR agreements are attached hereto as Exhibits 10.1 and 10.2, respectively.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On April 2, 2015, Duke Energy SAM, LLC (“DE SAM”), a subsidiary of Duke Energy and formerly a subsidiary of Duke Energy Ohio, Inc. (“Duke Energy Ohio”), and Duke Energy Commercial Enterprises, Inc. (“DECE”), also a subsidiary of Duke Energy, closed the transaction to sell Duke Energy’s Midwest commercial generation business, including DE SAM’s ownership interest in 11 power plants and DECE’s ownership interest in Duke Energy Retail Sales, LLC, Duke Energy’s competitive retail business in Ohio, to Dynegy Resource I, LLC, a subsidiary of Dynegy, Inc., for approximately \$2.8 billion in cash.

The Midwest commercial generation business was classified as discontinued operations in Duke Energy’s and Duke Energy Ohio’s Form 10-K for the annual periods ended December 31, 2014, December 31, 2013, and December 31, 2012. Accordingly, there are no pro forma effects on the historical income from continuing operations, as previously reported, from the disposal of these operations. The estimated pretax loss on the sale of the Midwest commercial generation business of \$929 million and \$959 million was recorded by Duke Energy and Duke Energy Ohio, respectively, for the year ended December 31, 2014. The loss on the sale will be updated based on final true-ups.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

10.1 Master Confirmation dated April 6, 2015, between Duke Energy Corporation and Goldman, Sachs & Co., as dealer.

10.2 Master Confirmation dated April 6, 2015, between Duke Energy Corporation and JPMorgan Chase Bank, National Association, as dealer.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DUKE ENERGY CORPORATION

Date: April 6, 2015

By: /s/ Brian D. Savoy
Name: Brian D. Savoy
Title: Senior Vice President, Chief Accounting
Officer and Controller

DUKE ENERGY OHIO, INC.

Date: April 6, 2015

By: /s/ Brian D. Savoy
Name: Brian D. Savoy
Title: Senior Vice President, Chief Accounting
Officer and Controller

EXHIBIT INDEX

Exhibit	Description
10.1	Master Confirmation dated April 6, 2015, between Duke Energy Corporation and Goldman, Sachs & Co., as dealer.
10.2	Master Confirmation dated April 6, 2015, between Duke Energy Corporation and JPMorgan Chase Bank, National Association, as dealer.

GOLDMAN SACHS & CO. | 200 WEST STREET | NEW YORK, NEW YORK 10282-2198 | TEL: 212-902-1000

Opening Transaction

To: Duke Energy Corporation
550 South Tryon Street
Charlotte, North Carolina 28202-1803

A/C: [Insert Account Number]

From: Goldman, Sachs & Co.

Re: Accelerated Stock Buyback

Ref. No: As provided in the Supplemental Confirmation

Date: April 6, 2015

This master confirmation (this “**Master Confirmation**”), dated as of April 6, 2015 is intended to set forth certain terms and provisions of certain Transactions (each, a “**Transaction**”) entered into from time to time between Goldman, Sachs & Co. (“**Dealer**”) and Duke Energy Corporation (“**Counterparty**”). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The additional terms of any particular Transaction shall be set forth in a Supplemental Confirmation in the form of Schedule A hereto (a “**Supplemental Confirmation**”), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation. This Master Confirmation and each Supplemental Confirmation together shall constitute a “**Confirmation**” as referred to in the Agreement specified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**”), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation and each Supplemental Confirmation evidence a complete binding agreement between Counterparty and Dealer as to the subject matter and terms of each Transaction to which this Master Confirmation and such Supplemental Confirmation relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

This Master Confirmation and each Supplemental Confirmation supplement, form a part of, and are subject to an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the “**Agreement**”) as if Dealer and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of Loss and Second Method, New York law (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law) as the governing law and US Dollars (“**USD**”) as the Termination Currency, (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions, (iii) the replacement of the word “third” in the last line of Section 5(a)(i) with the word “second”, (iv) the election that the “Cross Default” provisions of Section 5(a)(vi) shall apply to Dealer, with a “Threshold Amount” of three percent (3%) of Dealer’s shareholders’ equity, and to Counterparty, with a “Threshold Amount” of USD 150 million (*provided* that, in each case, (a) the text “, or becoming capable at such time of being declared,” shall be deleted from Section 5(a)(vi)(1) and (b) the following provision shall be added to the end of Section 5(a)(vi): “but a default under clause (2) above shall not constitute an Event of Default if (x) the default was caused solely by error or omission of an administrative or operational nature, (y) funds were available to enable the party to make the payment when due and (z) the payment is made within two Local Business Days of such party’s receipt of written notice of its failure to pay”) and (v) that Credit Support Provider means, in relation to Dealer, The Goldman Sachs Group, Inc.).

The Transactions shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between Dealer and Counterparty or any confirmation or other agreement between Dealer and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between Dealer and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which Dealer and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

All provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation and each Supplemental Confirmation except as expressly modified herein or in the related Supplemental Confirmation.

If, in relation to any Transaction to which this Master Confirmation and a Supplemental Confirmation relate, there is any inconsistency between the Agreement, this Master Confirmation, any Supplemental Confirmation and the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Supplemental Confirmation; (ii) this Master Confirmation; (iii) the Equity Definitions; and (iv) the Agreement.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions that, together with the terms and conditions set forth in the Supplemental Confirmation relating to any Transaction, shall govern such Transaction.

General Terms:

Trade Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Buyer:	Counterparty
Seller:	Dealer
Shares:	Common stock, par value USD 0.001 per share, of Counterparty (Ticker: DUK)
Exchange:	New York Stock Exchange
Related Exchange(s):	All Exchanges.
Prepayment\Variable Obligation:	Applicable
Prepayment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Prepayment Date:	For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation:

VWAP Price:	For any Exchange Business Day, as determined by the Calculation Agent based on the New York 10b-18 Volume Weighted Average Price per Share for the regular trading session (including any extensions thereof) of the Exchange on such Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange Business Day, on Bloomberg page "DUK.N <Equity> AQR_SEC" (or any successor thereto), or if such price is not so reported on such Exchange Business Day for any reason or is, in the Calculation Agent's reasonable determination, erroneous, such VWAP Price shall be as reasonably determined by the Calculation Agent. For purposes of calculating the VWAP Price, the
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Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and are effected pursuant to the conditions of Rule 10b-18(b)(3), each under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (such trades, "Rule 10b-18 eligible transactions").

Forward Price: The average of the VWAP Prices for the Calculation Dates in the Calculation Period, subject to "Valuation Disruption" below.

Forward Price Adjustment Amount: For each Transaction, as set forth in the related Supplemental Confirmation.

Calculation Period: The period from and including the Calculation Period Start Date to and including the Termination Date.

Calculation Period Start Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Termination Date: The Scheduled Termination Date; *provided* that Dealer shall have the right to designate any Calculation Date on or after the First Acceleration Date to be the Termination Date (the "Accelerated Termination Date") by delivering notice to Counterparty of any such designation prior to 11:59 p.m. New York City time on the Calculation Date immediately following the designated Accelerated Termination Date.

Calculation Dates: For each Transaction, any date that is both an Exchange Business Day and is set forth as a Calculation Date in the related Supplemental Confirmation and every other Scheduled Trading Day following the last Calculation Date set forth in such Supplemental Confirmation; *provided* that beginning three (3) Exchange Business Days following any Other Transaction Termination Date for such Transaction, Calculation Date for such Transaction shall mean any Exchange Business Day. "Other Transaction Termination Date" means, for any Transaction, the termination date or, if later, the last day of any settlement valuation period under any similar and substantially contemporaneous transaction entered into between Counterparty and another dealer, which other transaction shall have terms substantially identical to the terms of such Transaction, except for calculation dates that do not coincide with any Calculation Dates hereunder. Counterparty shall notify Dealer of any Other Transaction Termination Date on the earlier of such Other Transaction Termination Date and the date Counterparty is notified of such Other Transaction Termination Date.

Scheduled Termination Date: For each Transaction, as set forth in the related Supplemental Confirmation, subject to postponement as provided in "Valuation Disruption" below.

First Acceleration Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation Disruption: The definition of "Market Disruption Event" in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words "at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be" and inserting the words "at any time on any Scheduled Trading Day during the Calculation Period or Settlement Valuation Period" after the word "material," in the third line thereof.

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof.

Notwithstanding anything to the contrary in the Equity Definitions, to the extent that a Disrupted Day occurs (i) on a Scheduled Trading Day scheduled to be a Calculation Date in the Calculation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, postpone the Scheduled Termination Date to the next Calculation Date, or (ii) on a Scheduled Trading Day scheduled to be a Calculation Date in the Settlement Valuation Period, the Calculation Agent may extend the Settlement Valuation Period by up to one Calculation Date for each such Disrupted Day. If any such Disrupted Day is a Disrupted Day because of a Market Disruption Event (or a deemed Market Disruption Event as provided herein), the Calculation Agent shall determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Forward Price or the Settlement Price, as the case may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions in the Shares on such Disrupted Day taking into account the nature and duration of the relevant Market Disruption Event, and the weighting of the VWAP Price for the relevant Calculation Dates during the Calculation Period or the Settlement Valuation Period, as the case may be, shall be adjusted in a commercially reasonable manner by the Calculation Agent for purposes of determining the Forward Price or the Settlement Price, as the case may be, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full.

If a Disrupted Day occurs on a Scheduled Trading Day scheduled to be a Calculation Date during the Calculation Period or the Settlement Valuation Period, as the case may be, and each of the five immediately following scheduled Calculation Dates is a Disrupted Day, then the Calculation Agent, in its good faith and commercially reasonable discretion, may deem such fifth scheduled Calculation Date to be an Exchange Business Day that is not a Disrupted Day and determine the VWAP Price for such fifth scheduled Calculation Date using its good faith estimate of the value of the Shares on such fifth scheduled Calculation Date based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate.

Settlement Terms:

Settlement Procedures: If the Number of Shares to be Delivered is positive, Physical Settlement shall be applicable; *provided* that Dealer does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by Dealer to Counterparty under any Transaction. If the Number of Shares to be Delivered is negative, then the Counterparty Settlement Provisions in Annex A shall apply.

Number of Shares to be Delivered: A number of Shares equal to (x)(a) the Prepayment Amount *divided by* (b) the Divisor Amount *minus* (y) the number of Initial Shares.

Divisor Amount: The greater of (i) the Forward Price *minus* the Forward Price Adjustment Amount and (ii) USD 1.00.

Excess Dividend Amount: For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.

Settlement Date: If the Number of Shares to be Delivered is positive, the date that is one Settlement Cycle immediately following the Termination Date.

Settlement Currency: USD

Initial Share Delivery: Dealer shall deliver a number of Shares equal to the Initial Shares to Counterparty on the Initial Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date deemed to be a "Settlement Date" for purposes of such Section 9.4.

Initial Share Delivery Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Initial Shares: For each Transaction, as set forth in the related Supplemental Confirmation.

Share Adjustments:

Potential Adjustment Event: Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event, nor shall the issuance of stock options, restricted stock or restricted stock units in the ordinary course pursuant to Counterparty's employee incentive plan.

It shall constitute an additional Potential Adjustment Event if the Scheduled Termination Date for any Transaction is postponed pursuant to "Valuation Disruption" above, in which case the Calculation Agent may, in its commercially reasonable discretion, adjust any relevant terms of any such Transaction as necessary to account for the economic effect on such Transaction of such postponement; *provided* that the Calculation Agent shall not change the designation of any Calculation Date.

Extraordinary Dividend: For any calendar quarter, any dividend or distribution on the Shares with an ex-dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii) (A) of the Equity Definitions) (a "Dividend") the amount or value of which (as determined by the Calculation Agent), when aggregated with the amount or value (as determined by the Calculation Agent) of any and all previous Dividends with ex-dividend dates occurring in the same calendar quarter, exceeds the Ordinary Dividend Amount for such Dividend.

Ordinary Dividend Amount: For each Dividend for each Transaction, as set forth in the related Supplemental Confirmation

Method of Adjustment: Calculation Agent Adjustment

Early Ordinary Dividend Payment: If an ex-dividend date for any Dividend that is not an Extraordinary Dividend occurs during any calendar quarter occurring (in whole or in part) during the Relevant Dividend Period (as defined below) and is prior to the Scheduled Ex-Dividend Date for such calendar quarter, the Calculation Agent shall make such adjustment to the exercise, settlement, payment or any other terms of the relevant Transaction as the Calculation Agent determines appropriate to account for the economic effect on such Transaction of such event.

Scheduled Ex-Dividend
Dates:

For each Transaction for each calendar quarter, as set forth in the related Supplemental Confirmation.

Extraordinary Events:

Consequences of
Merger Events:

- (a) Share-for-Share: Modified Calculation Agent Adjustment
- (b) Share-for-Other: Cancellation and Payment
- (c) Share-for-Combined: Component Adjustment

TenderApplicable; *provided* that (i) Section 12.1(d) of the Equity Definitions shall be amended by replacing "10%" in the third line thereof with "15%", (ii) Section 12.1(l) of the Equity Definitions shall be amended (x) by deleting the parenthetical in the fifth line thereof, (y) by replacing "that" in the fifth line thereof with "whether or not such announcement" and (z) by adding immediately after the words "Tender Offer" in the fifth line thereof, and any publicly announced change or amendment to such an announcement (including the announcement of an abandonment of such intention)" and (iii) Sections 12.3(a) and 12.3(d) of the Equity Definitions shall each be amended by replacing each occurrence of the words "Tender Offer Date" by "Announcement Date."

Consequences of
Tender Offers:

- (a) Share-for-Share: Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Dealer
- (b) Share-for-Other: Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Dealer
- (c) Share-for-Combined: Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Dealer

Nationalization,
Insolvency or Delisting:

Cancellation and Payment; *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, NYSE MKT, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.

Additional Disruption Events:

- (a) Change in Law: Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase "the interpretation" in the third line thereof with the phrase "or public announcement of, the formal or informal interpretation", (ii) by replacing the word "Shares" where it appears in clause (X) thereof with the words "Hedge Position"

and (iii) by immediately following the word "Transaction" in clause (X) thereof, adding the phrase "in the manner contemplated by the Hedging Party on the Trade Date"; *provided further* that (i) any determination as to whether (A) the adoption of or any change in any applicable law or regulation (including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute) or (B) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a "Change in Law" shall be made without regard to Section 739 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and (ii) Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word "regulation" in the second line thereof the words "(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)".

- (b) Failure to Deliver: Applicable
- (c) Insolvency Filing: Applicable
- (d) Hedging Disruption: Applicable
- (e) Increased Cost of Hedging: Applicable
- (f) Loss of Stock Borrow: Applicable

Maximum Stock Loan Rate: For each Transaction, as set forth in the related Supplemental Confirmation.

Hedging Party: Dealer

- (g) Increased Cost of Stock Borrow: Applicable

Initial Stock Loan Rate: For each Transaction, as set forth in the related Supplemental Confirmation.

Hedging Party: Dealer

Determining Party: Dealer

Additional Termination Event(s): Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, any Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with such terminated Transaction(s) (or portions thereof) being the Affected Transaction(s) and Counterparty being the sole Affected Party) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction(s).

The declaration by the Issuer of any Extraordinary Dividend, the ex-dividend date for which occurs or is reasonably expected to occur, as determined by the Calculation Agent, during the Relevant Dividend Period, will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.

Relevant Dividend Period: The period from and including the Calculation Period Start Date to and including the Relevant Dividend Period End Date.

Relevant Dividend Period End Date: If the Number of Shares to be Delivered is negative, the last day of the Settlement Valuation Period; otherwise, the Termination Date.

Non-Reliance/Agreements and Acknowledgements Regarding Hedging Activities/Additional Acknowledgements: Applicable

Transfer: Notwithstanding anything to the contrary in the Agreement, Dealer may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of Dealer under any Transaction, in whole or in part, to an affiliate of Dealer whose obligations are guaranteed by The Goldman Sachs Group, Inc. without the consent of Counterparty; *provided* that (i) such affiliate assumes, in a written agreement satisfactory to and for the benefit of Counterparty, the obligations of Dealer hereunder in respect thereof, (ii) no Event of Default, Potential Event of Default or Termination Event with respect to which Dealer is the Defaulting Party or an Affected Party, as the case may be, exists or would result therefrom, (iii) no Additional Disruption Event or other event giving rise to a right or responsibility to terminate or cancel the Transaction or to make an adjustment to the terms of the Transaction would result therefrom, and (iv) at the time of such assignment or transfer, Counterparty shall not, as a result of such assignment or transfer, either (A) be required to pay to Dealer an additional amount in respect of an Indemnifiable Tax or (B) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax as to which no additional amount is required to be paid.

Dealer Payment Instructions: Chase Manhattan Bank New York
For A/C Goldman, Sachs & Co.
A/C #930-1-011483
ABA: 021-000021

Counterparty's Contact Details for Purpose of Giving Notice: W. Bryan Buckler
Assistant Treasurer
Duke Energy Corporation
550 South Tryon Street
Charlotte, NC 28202
Telephone: 704-382-2640
Email: Bryan.Buckler@duke-energy.com

Dealer's Contact Details for Purpose of Giving Notice: Goldman, Sachs & Co.
200 West Street
New York, NY 10282-2198
Attention: Simon Watson, Equity Capital Markets
Telephone: 212-902-2317

Facsimile: 212-256-5738
Email: simon.watson@ny.ibd.email.gs.com

With a copy to:

Attention: Daniel Josephs, Equity Capital Markets
Telephone: 212-902-8193
Facsimile: 917-977-3943
Email: daniel.josephs@gs.com

And email notification to the following address:
Eq-derivs-notifications@am.ibd.gs.com

Form of Notice: Section 12(a)(ii) of the Agreement hereby is amended by deleting the text thereof and inserting “[Reserved]” in place of such text. Section 12(b) of the Agreement hereby is amended by striking the word “telex” and the comma immediately preceding such word. For the avoidance of doubt, the text “electronic messaging system” as used in Section 12 of the Agreement shall mean only electronic mail (also known as e-mail).

2. **Calculation Agent.** Dealer; *provided* that, following the occurrence and during the continuance of an Event of Default of the type described in Section 5(a)(vii) of the Agreement with respect to which Dealer is the Defaulting Party, Counterparty shall have the right to designate a leading dealer in the over-the-counter equity derivatives market to act as the Calculation Agent.

3. **Additional Mutual Representations, Warranties and Covenants of Each Party.** In addition to the representations, warranties and covenants in the Agreement, each party represents, warrants and covenants to the other party that:

(a) **Eligible Contract Participant.** It is an “eligible contract participant”, as defined in the U.S. Commodity Exchange Act (as amended), and is entering into each Transaction hereunder as principal (and not as agent or in any other capacity, fiduciary or otherwise) and not for the benefit of any third party.

(b) **Accredited Investor.** Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), by virtue of Section 4(a)(2) thereof. Accordingly, each party represents and warrants to the other that (i) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (ii) it is an “accredited investor” as that term is defined under Regulation D under the Securities Act and (iii) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

(c) **Guarantee of The Goldman Sachs Group, Inc.** The obligations of Dealer in respect of each Transaction hereunder will be guaranteed by The Goldman Sachs Group, Inc. pursuant to (i) the General Guarantee Agreement, dated January 30, 2006, made by The Goldman Sachs Group, Inc. relating to certain obligations of Dealer (available as Exhibit 10.45 to The Goldman Sachs Group, Inc. Annual Report on Form 10-K for the fiscal year ended November 25, 2005), or (ii) any replacement or successor guarantee, which may be in the form of a general guarantee or a guarantee that specifically references the Transactions (in each case, the “Guarantee”). For the avoidance of doubt, the obligations of Dealer in respect of each Transaction hereunder shall be recourse payment obligations as such term is used in the Guarantee and for all other purposes. The parties agree and acknowledge that the Guarantee shall not be a Credit Support Document hereunder.

4. **Additional Representations, Warranties and Covenants of Counterparty.** In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Dealer that:

(a) The purchase or writing of each Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(b) It is not entering into any Transaction (i) on the basis of, and is not aware of, any material non-public information with respect to the Shares, (ii) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer or (iii) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(c) Each Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program.

(d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that neither Dealer nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of any Transaction under any accounting standards including ASC Topic 260, *Earnings Per Share*, ASC Topic 815, *Derivatives and Hedging*, or ASC Topic 480, *Distinguishing Liabilities from Equity* and ASC 815-40, *Derivatives and Hedging - Contracts in Entity's Own Equity*.

(e) As of (i) the date hereof and (ii) the Trade Date for each Transaction hereunder, Counterparty is in compliance with its reporting obligations under the Exchange Act and its most recent Annual Report on Form 10-K, together with all reports subsequently filed or furnished by it pursuant to the Exchange Act and all public statements by it, taken together and as amended and supplemented to the date of this representation, do not, as of their respective dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Counterparty shall report each Transaction as required under the Exchange Act and the rules and regulations thereunder.

(g) The Shares are not, and Counterparty will not cause the Shares to be, subject to a "restricted period" (as defined in Regulation M promulgated under the Exchange Act) at any time during any Regulation M Period (as defined below) for any Transaction unless Counterparty has provided written notice to Dealer of such restricted period not later than the Scheduled Trading Day immediately preceding the first day of such "restricted period"; Counterparty acknowledges that any such notice may cause a Disrupted Day to occur pursuant to Section 5 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 6 below; "Regulation M Period" means, for any Transaction, (i) the Relevant Period (as defined below) and (ii) the Settlement Valuation Period, if any, for such Transaction. "Relevant Period" means, for any Transaction, the period commencing on the Trade Date for such Transaction and ending on the earlier of (i) the Scheduled Termination Date and (ii) the last Additional Relevant Day (as specified in the related Supplemental Confirmation) for such Transaction, or such earlier day as elected by Dealer and communicated to Counterparty on such day (or, if later, the First Acceleration Date without regard to any acceleration thereof pursuant to "Special Provisions for Acquisition Transaction Announcements" below).

(h) As of the Trade Date, the Prepayment Date, the Initial Share Delivery Date and the Settlement Date for each Transaction, Counterparty is not "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the "Bankruptcy Code")) and Counterparty would be able to purchase a number of Shares with a value equal to the Prepayment Amount in compliance with the laws of the jurisdiction of Counterparty's incorporation.

(i) Counterparty is not and, after giving effect to any Transaction, will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(j) Counterparty has not entered into and will not enter into agreements similar to the Transactions described herein where the relevant calculation or valuation dates in any initial hedge period, calculation period, relevant period or settlement valuation period (each however defined) in such other transaction will coincide at any

time (including as a result of extensions in such initial hedge period, calculation period, relevant period or settlement valuation period as provided in the relevant agreements) with the Calculation Dates in any Relevant Period or, if applicable, any Settlement Valuation Period under this Master Confirmation. In the event that any relevant calculation or valuation dates in any initial hedge period, relevant period, calculation period or settlement valuation period in any other similar transaction coincides with any Calculation Dates in any Relevant Period or, if applicable, Settlement Valuation Period under this Master Confirmation as a result of any postponement of the Scheduled Termination Date or extension of the Settlement Valuation Period pursuant to "Valuation Disruption" above, Counterparty shall promptly amend such transaction to avoid any such overlap.

4A. Additional Representations, Warranties and Covenants of Dealer. In addition to the representations, warranties and covenants in the Agreement, Dealer represents, warrants and covenants to Counterparty that Dealer shall use commercially reasonable efforts, during the Calculation Period and any Settlement Valuation Period for each Transaction, to make all purchases of Shares in connection with such Transaction in a manner that would comply with the limitations set forth in clauses (b)(1), (b)(2), (b)(3) and (b)(4) and (c) of Rule 10b-18 under the Exchange Act ("**Rule 10b-18**"), as if such rule were applicable to such purchases and taking into account any applicable Securities and Exchange Commission no-action letters as appropriate, and subject to any delays between the execution and reporting of a trade of the Shares on the Exchange and other circumstances beyond Dealer's control; *provided* that, during a Calculation Period, the foregoing agreement shall not apply to purchases made to dynamically hedge for Dealer's own account or the account of its affiliate(s) the optionality arising under a Transaction (including, for the avoidance of doubt, timing optionality); and *provided further* that, without limiting the generality of the first sentence of this Section 4A, Dealer shall not be responsible for any failure to comply with Rule 10b-18(b)(3) to the extent any transaction that was executed (or deemed to be executed) by or on behalf of Counterparty or an "affiliated purchaser" (as defined under Rule 10b-18) pursuant to a separate agreement is not deemed to be an "independent bid" or an "independent transaction" for purposes of Rule 10b-18(b)(3).

5. Regulatory Disruption. In the event that Dealer concludes, in its reasonable discretion, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Dealer but so long as such requirements, policies or procedures are generally applicable in similar circumstances and not arbitrarily or capriciously applied), for it to refrain from or decrease any market activity on any Scheduled Trading Day or Days during the Calculation Period or, if applicable, the Settlement Valuation Period, Dealer may by written notice to Counterparty elect to deem that a Market Disruption Event has occurred and will be continuing on such Scheduled Trading Day or Days.

6. 10b5-1 Plan. Counterparty represents, warrants and covenants to Dealer that:

(a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act ("**Rule 10b5-1**") or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that it is the intent of the parties that each Transaction entered into under this Master Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).

(b) Counterparty will not seek to control or influence Dealer's decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under any Transaction entered into under this Master Confirmation, including, without limitation, Dealer's decision to enter into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or the relevant Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a "plan" as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, and no such

amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

7. Counterparty Purchases. Counterparty (or any "affiliated purchaser" as defined in Rule 10b-18) shall not, without the prior written consent of Dealer, directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on the Shares or securities that are convertible into, or exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) on any Calculation Date during any Relevant Period or, if applicable, Settlement Valuation Period, except through Dealer. However, the foregoing shall not (a) limit Counterparty's ability, pursuant to its employee incentive plan or dividend reinvestment program, to re-acquire Shares from employees in connection with such plan or program, (b) limit Counterparty's ability to withhold Shares to cover tax liabilities associated with such a plan, (c) prohibit any purchases effected by or for an issuer "plan" by an "agent independent of the issuer" (each as defined in Rule 10b-18), (d) otherwise restrict Counterparty's or any of its affiliates' ability to repurchase Shares under privately negotiated, off exchange transactions with any of its employees, officers, directors, affiliates or any third party that are not expected to result in market transactions or (e) limit Counterparty's ability to grant stock and options to "affiliated purchasers" (as defined in Rule 10b-18) or the ability of such affiliated purchasers to acquire such stock or options in connection with Counterparty's compensation policies for directors, officers and employees or any agreements with respect to the compensation of directors, officers or employees of any entities that are acquisition targets of Counterparty, and in connection with any such purchase under (a) through (e) above, Counterparty will be deemed to represent to Dealer that such purchase does not constitute a "Rule 10b-18 purchase" (as defined in Rule 10b-18).

8. Special Provisions for Merger Transactions. Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Counterparty agrees that it:

(i) will not during the period commencing on the Trade Date through the end of the Relevant Period or, if applicable, the Settlement Valuation Period for any Transaction make, or permit to be made (if within its control), any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction (a "Public Announcement") unless such Public Announcement is made prior to the opening or after the close of the regular trading session on the Exchange for the Shares;

(ii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) notify Dealer following any such Public Announcement that such Public Announcement has been made; and

(iii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide Dealer with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the date of such Public Announcement that were not effected through Dealer or its affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the date of such Public Announcement. Such written notice shall be deemed to be a certification by Counterparty to Dealer that such information is true and correct. In addition, Counterparty shall promptly notify Dealer of the earlier to occur of the completion of the relevant Merger Transaction and the completion of the vote by target shareholders.

(b) Counterparty acknowledges that a Public Announcement may cause the terms of any Transaction to be adjusted or such Transaction to be terminated; accordingly, Counterparty acknowledges that in making any Public Announcement, it must comply with the standards set forth in Section 6 above.

(c) Upon the occurrence of any Public Announcement (whether made by Counterparty or a third party) Dealer in its sole discretion may either (i) elect that the Calculation Agent shall make adjustments to the terms of any Transaction to account for the economic effect of such Public Announcement on such Transaction (other than

changing the designation of any Calculation Date), including, without limitation, the Scheduled Termination Date or the Forward Price Adjustment Amount, and/or suspend the Calculation Period and/or any Settlement Valuation Period or (ii) treat the occurrence of such Public Announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions and with the amount under Section 6(e) of the Agreement determined taking into account the fact that the Calculation Period or Settlement Valuation Period, as the case may be, had fewer Scheduled Trading Days than originally anticipated.

“**Merger Transaction**” means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

9. **Special Provisions for Acquisition Transaction Announcements.** (a) If an Acquisition Transaction Announcement occurs on or prior to the Settlement Date for any Transaction, then the Calculation Agent shall make such adjustments to the exercise, settlement, payment or any other terms of such Transaction as the Calculation Agent determines appropriate, at such time or at multiple times as the Calculation Agent determines appropriate, to account for the economic effect on such Transaction of such Acquisition Transaction Announcement (including adjustments to account for changes in volatility, expected dividends, stock loan rate and liquidity relevant to the Shares or to such Transaction). If an Acquisition Transaction Announcement occurs after the Trade Date, but prior to the First Acceleration Date of any Transaction, the First Acceleration Date shall be the date of such Acquisition Transaction Announcement.

(b) “**Acquisition Transaction Announcement**” means (i) the announcement of an Acquisition Transaction, (ii) an announcement that Counterparty or any of its subsidiaries has entered into an agreement, a letter of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that could reasonably be expected to include, an Acquisition Transaction, (iv) any other announcement that in the reasonable judgment of the Calculation Agent may result in an Acquisition Transaction or (v) any announcement of any change or amendment to any previous Acquisition Transaction Announcement (including any announcement of the abandonment of any such previously announced Acquisition Transaction, agreement, letter of intent, understanding or intention). For the avoidance of doubt, announcements as used in the definition of Acquisition Transaction Announcement refer to any public announcement whether made by the Issuer or a third party.

(c) “**Acquisition Transaction**” means (i) any Merger Event (for purposes of this definition the definition of Merger Event shall be read with the references therein to “100%” being replaced by “20%” and to “50%” by “75%” and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the merger of Counterparty with or into any third party, (ii) the sale or transfer of all or substantially all of the assets of Counterparty, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction with respect to Counterparty, (iv) any acquisition, lease, exchange, transfer, disposition (including by way of spin-off or distribution) of assets (including any capital stock or other ownership interests in subsidiaries) or other similar event by Counterparty or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Counterparty or its subsidiaries exceeds 15% of the market capitalization of Counterparty and (v) any transaction in which Counterparty or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14e-2 under the Exchange Act or otherwise).

10. **Acknowledgments.** (a) The parties hereto intend for:

(i) each Transaction to be a “securities contract” as defined in Section 741(7) of the Bankruptcy Code, a “swap agreement” as defined in Section 101(53B) of the Bankruptcy Code and a “forward contract” as defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 555, 556, 560 and 561 of the Bankruptcy Code;

(ii) the Agreement to be a “master netting agreement” as defined in Section 101(38A) of the Bankruptcy Code;

(iii) a party's right to liquidate, terminate or accelerate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a "contractual right" (as defined in the Bankruptcy Code); and

(iv) all payments for, under or in connection with each Transaction, all payments for the Shares (including, for the avoidance of doubt, payment of the Prepayment Amount) and the transfer of such Shares to constitute "settlement payments" and "transfers" (as defined in the Bankruptcy Code).

(b) Counterparty acknowledges that:

(i) during the term of any Transaction, Dealer and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to such Transaction;

(ii) Dealer and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to any Transaction, including acting as agent or as principal and for its own account or on behalf of customers;

(iii) Dealer shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty's securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the VWAP Price;

(iv) any market activities of Dealer and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price and VWAP Price, each in a manner that may be adverse to Counterparty; and

(v) each Transaction is a derivatives transaction in which it has granted Dealer an option; Dealer may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction.

(c) Counterparty:

(i) is an "institutional account" as defined in FINRA Rule 4512(c);

(ii) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities, and will exercise independent judgment in evaluating the recommendations of Dealer or its associated persons unless it has otherwise notified Dealer in writing; and

(iii) will notify Dealer if any of the statements contained in clause (i) or (ii) of this Section 10(c) ceases to be true.

11. Credit Support Documents. The parties hereto acknowledge that no Transaction hereunder is secured by any collateral that would otherwise secure the obligations of Counterparty herein or pursuant to the Agreement.

12. Set-off. (a) The parties agree to amend Section 6 of the Agreement by adding a new Section 6(f) thereto as follows:

"(f) Upon the occurrence of an Event of Default or Termination Event with respect to a party who is the Defaulting Party or the Affected Party ("X"), the other party ("Y") will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (or any Affiliate of Y) (whether or not matured or contingent and whether or not

arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y (or any Affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 6(f).

Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."

(b) Notwithstanding anything to the contrary in the foregoing, Dealer agrees not to set off or net amounts due from Counterparty with respect to any Transaction against amounts due from Dealer to Counterparty with respect to contracts or instruments that are not Equity Contracts. "Equity Contract" means any transaction or instrument that does not convey to Dealer rights, or the ability to assert claims, that are senior to the rights and claims of common stockholders in the event of Counterparty's bankruptcy.

13. **Delivery of Shares.** Notwithstanding anything to the contrary herein, Dealer may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an "Original Delivery Date") by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

14. **Early Termination.** In the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction (except as a result of a Merger Event in which the consideration or proceeds to be paid to holders of Shares consists solely of cash), if either party would owe any amount to the other party pursuant to Section 6(d)(i) of the Agreement (any such amount, a "Payment Amount"), then, in lieu of any payment of such Payment Amount, Counterparty may, no later than the Early Termination Date or the date on which such Transaction is terminated, elect to deliver or for Dealer to deliver, as the case may be, to the other party a number of Shares (or, in the case of a Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Merger Event (each such unit, an "Alternative Delivery Unit" and, the securities or property comprising such unit, "Alternative Delivery Property")) with a value equal to the Payment Amount, as determined by the Calculation Agent (and the parties agree that, in making such determination of value, the Calculation Agent may take into account a number of factors, including the market price of the Shares or Alternative Delivery Property on the date of early termination and, if such delivery is made by Dealer, the prices at which Dealer purchases Shares or Alternative Delivery Property on any Calculation Date to fulfill its delivery obligations under this Section 14); *provided* that in determining the composition of any Alternative Delivery Unit, if the relevant Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash; and *provided further* that Counterparty may make such election only if Counterparty represents and warrants to Dealer in writing on the date it notifies Dealer of such election that, as of such date, Counterparty is not aware of any material non-public information concerning the Shares and is making such election in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws. If such delivery is made by Counterparty, paragraphs 2 through 7 of Annex A shall apply as if such delivery were a settlement of the Transaction to which Net Share Settlement applied, the Cash Settlement Payment Date were the Early Termination Date and the Forward Cash Settlement Amount were zero (0) *minus* the Payment Amount owed by Counterparty.

15. Calculations and Payment Date upon Early Termination. The parties acknowledge and agree that in calculating Loss pursuant to Section 6 of the Agreement Dealer may (but need not) determine losses without reference to actual losses incurred but based on expected losses assuming a commercially reasonable (including without limitation with regard to reasonable legal and regulatory guidelines) risk bid were used to determine loss to avoid awaiting the delay associated with closing out any hedge or related trading position in a commercially reasonable manner prior to or promptly following the designation of an Early Termination Date. Notwithstanding anything to the contrary herein or in Section 6(d)(ii) of the Agreement or in the Equity Definitions, all amounts calculated as being due in respect of an Early Termination Date under Section 6(e) of the Agreement or other termination or cancellation of a Transaction hereunder will be payable on the day that notice of the amount payable is effective; *provided* that if Counterparty elects to receive Shares or Alternative Delivery Property in accordance with Section 14, such Shares or Alternative Delivery Property shall be delivered on a date selected by Dealer as promptly as practicable.

16. Dealer Purchases. During any Relevant Period or, if applicable, Settlement Valuation Period, Dealer shall not purchase any Shares or enter into any transactions that, in whole or in part, have the effect of giving Dealer "long" economic exposure to the Shares in connection with any Transaction on any Exchange Business Day that is not a Calculation Date; *provided* that (i) Dealer shall be permitted on any day to exercise listed options relating to Shares or deliver or receive Shares upon exercise of listed options relating to Shares, in either case so long as such options were purchased or written in compliance with this sentence and (ii) during the period (if any) from and including the Trade Date to but excluding the Calculation Period Start Date, Dealer shall be permitted to enter into delta-neutral volatility hedging transactions so long as such transactions (with such transactions entered into with the same counterparty viewed in the aggregate) do not result in an immediate increase in Dealer's net "long" exposure to the Shares and do not involve open market purchases of Shares.

17. Automatic Termination Provisions. Notwithstanding anything to the contrary in Section 6 of the Agreement, if a Termination Price is specified in any Supplemental Confirmation, then an Additional Termination Event with Counterparty as the sole Affected Party and the Transaction to which such Supplemental Confirmation relates as the Affected Transaction will automatically occur without any notice or action by Dealer or Counterparty if the VWAP Price for any Exchange Business Day is below such Termination Price, and such Exchange Business Day will be the "Early Termination Date" for purposes of the Agreement.

18. Delivery of Cash. For the avoidance of doubt, nothing in this Master Confirmation shall be interpreted as requiring Counterparty to deliver cash in respect of the settlement of the Transactions contemplated by this Master Confirmation following payment by Counterparty of the relevant Prepayment Amount, except in circumstances where the required cash settlement thereof is permitted for classification of the contract as equity by ASC 815-40, *Derivatives and Hedging - Contracts in Entity's Own Equity*, as in effect on the relevant Trade Date (including, without limitation, where Counterparty so elects to deliver cash or fails timely to elect to deliver Shares or Alternative Delivery Property in respect of the settlement of such Transactions).

19. Claim in Bankruptcy. Dealer acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transactions that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy.

20. Governing Law. The Agreement, this Master Confirmation, each Supplemental Confirmation and all matters arising in connection with the Agreement, this Master Confirmation and each Supplemental Confirmation shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law).

21. Illegality. The parties agree that, for the avoidance of doubt, for purposes of Section 5(b)(i) of the Agreement, "any applicable law" shall include the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any rules and regulations promulgated thereunder and any similar law or regulation, without regard to Section 739 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and the consequences specified in the Agreement, including without limitation, the consequences specified in Section 6 of the Agreement, shall apply to any Illegality arising from any such act, rule or regulation.

22. Offices.

- (a) The Office of Dealer for each Transaction is: 200 West Street, New York, New York 10282-2198.
- (b) The Office of Counterparty for each Transaction is: 550 South Tryon Street, Charlotte, North Carolina 28202-1803.

23. Submission to Jurisdiction. Section 13(b) of the Agreement is deleted in its entirety and replaced by the following:

“Each party hereby irrevocably and unconditionally submits for itself and its property in any suit, legal action or proceeding relating to this Agreement and/or any Transaction, or for recognition and enforcement of any judgment in respect thereof, (each, “Proceedings”) to the exclusive jurisdiction of the Supreme Court of the State of New York, sitting in New York County, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof. Nothing in the Master Confirmation, any Supplemental Confirmation or this Agreement precludes either party from bringing Proceedings in any other jurisdiction if (A) the courts of the State of New York or the United States of America for the Southern District of New York lack jurisdiction over the parties or the subject matter of the Proceedings or declines to accept the Proceedings on the grounds of lacking such jurisdiction; (B) the Proceedings are commenced by a party for the purpose of enforcing against the other party’s property, assets or estate any decision or judgment rendered by any court in which Proceedings may be brought as provided hereunder; (C) the Proceedings are commenced to appeal any such court’s decision or judgment to any higher court with competent appellate jurisdiction over that court’s decisions or judgments if that higher court is located outside the State of New York or Borough of Manhattan, such as a federal court of appeals or the U.S. Supreme Court; or (D) any suit, action or proceeding has been commenced in another jurisdiction by or against the other party or against its property, assets or estate and, in order to exercise or protect its rights, interests or remedies under this Agreement, the Master Confirmation or any Supplemental Confirmation, the party (1) joins, files a claim, or takes any other action, in any such suit, action or proceeding, or (2) otherwise commences any Proceeding in that other jurisdiction as the result of that other suit, action or proceeding having commenced in that other jurisdiction.”

24. Waiver of Trial by Jury. EACH OF COUNTERPARTY AND DEALER HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE AGREEMENT, THIS MASTER CONFIRMATION, EACH SUPPLEMENTAL CONFIRMATION AND EACH TRANSACTION HEREUNDER.

25. Counterparts. This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.

26. Calculations and Adjustments. For the avoidance of doubt, any calculation, adjustment or other determination made by Dealer, the Calculation Agent or a Determining Party hereunder will be provided to Counterparty on or prior to the effective date thereof or the effective date of any notice of an amount payable in respect thereof (including any such notice referenced in Section 6(d)(ii) of the Agreement) in a written statement showing, in reasonable detail, such calculation, adjustment or other determination and the basis therefor (including any quotations, market data and information from internal or external sources used in making such calculation, adjustment or other determination), it being understood that no person preparing or furnishing any such written statement shall have an obligation to disclose proprietary or confidential information; *provided* that in the case of determinations that are not calculations or adjustments, such a statement shall be required only to the extent that such a statement is reasonably necessary to show such determination or the basis therefor because such

determination or basis is not apparent, and such a statement shall not be required where such determination is stated to be at Dealer's sole election or discretion.

Counterparty hereby agrees (a) to check this Master Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Dealer) correctly sets forth the terms of the agreement between Dealer and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Equity Derivatives Documentation Department, Facsimile No. 212-428-1980/83.

Yours faithfully,

GOLDMAN, SACHS & CO.

By: /s/ Daniela A. Rouse
Authorized Signatory

Agreed and Accepted By:

DUKE ENERGY CORPORATION

By: /s/ Stephen G. De May
Name: Stephen G. De May
Title: Senior Vice President and Treasurer

SCHEDULE A
SUPPLEMENTAL CONFIRMATION

To: Duke Energy Corporation
550 South Tryon Street
Charlotte, North Carolina 28202-1803

From: Goldman, Sachs & Co.

Subject: Accelerated Stock Buyback

Ref. No: [Insert Reference No.]

Date: [Insert Date]

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Goldman, Sachs & Co. (“Dealer”) and Duke Energy Corporation (“Counterparty”) (together, the “Contracting Parties”) on the Trade Date specified below. This Supplemental Confirmation is a binding contract between Dealer and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of April 6, 2015 (the “Master Confirmation”) between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.
2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:

Forward Price Adjustment Amount: USD

Calculation Period Start Date:

Scheduled Termination Date:

First Acceleration Date:

Prepayment Amount: USD

Prepayment Date:

Initial Shares: Shares; *provided* that if, in connection with the Transaction, Dealer is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that Dealer is able to so borrow or otherwise acquire.

Initial Share Delivery Date:

Ordinary Dividend Amount:

For the Dividend scheduled to have an ex-dividend date of the first Scheduled Ex-Dividend Date, USD []; for the Dividend scheduled to have an ex-dividend date of the second Scheduled Ex-Dividend Date, USD []; ...

Scheduled Ex-Dividend Dates:

[]

Maximum Stock Loan Rate:

[] basis points per annum

Initial Stock Loan Rate:

[] basis points per annum

Termination Price:

USD [] per Share

Additional Relevant Days:

The [] Calculation Dates immediately following the Calculation Period.

3. Calculation Dates:

1.		2.		3.	
4.		5.		6.	
7.		8.		9.	
10.		11.		12.	
13.		14.		15.	
16.		17.		18.	
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34.		35.		36.	
37.		38.		39.	
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43.		44.		45.	
46.		47.		48.	
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79.		80.		81.	
82.		83.		84.	

4. Counterparty represents and warrants to Dealer that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

5. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Dealer) correctly sets forth the terms of the agreement between Dealer and Counterparty with respect to the Transaction to which this Supplemental Confirmation relates, by manually signing this Supplemental Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Equity Derivatives Documentation Department, Facsimile No. 212-428-1980/83.

Yours sincerely,

GOLDMAN, SACHS & CO.

By: _____

Authorized Signatory

Agreed and Accepted By:

DUKE ENERGY CORPORATION

By: _____
Name:
Title:

ANNEX A

COUNTERPARTY SETTLEMENT PROVISIONS

1. The following Counterparty Settlement Provisions shall apply to the extent indicated under the Master Confirmation:

Settlement Currency:	USD
Settlement Method Election:	Applicable; <i>provided</i> that (i) Section 7.1 of the Equity Definitions is hereby amended by deleting the word " <u>Physical</u> " in the sixth line thereof and replacing it with the words " <u>Net Share</u> " and (ii) the Electing Party may make a settlement method election only if the Electing Party represents and warrants to Dealer in writing on the date it notifies Dealer of its election that, as of such date, the Electing Party is not aware of any material non-public information concerning Counterparty or the Shares and is electing the settlement method in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.
Electing Party:	Counterparty
Settlement Method Election Date:	The earlier of (i) the Scheduled Termination Date and (ii) the second Calculation Date immediately following the Accelerated Termination Date (in which case the election under Section 7.1 of the Equity Definitions shall be made no later than 10 minutes prior to the open of trading on the Exchange on such second Calculation Date), as the case may be.
Default Settlement Method:	Cash Settlement
Forward Cash Settlement Amount:	The Number of Shares to be Delivered <i>multiplied by</i> the Settlement Price.
Settlement Price:	The average of the VWAP Prices for the Calculation Dates in the Settlement Valuation Period, subject to Valuation Disruption as specified in the Master Confirmation.
Settlement Valuation Period:	A number of Calculation Dates selected by Dealer in its reasonable discretion, beginning on the Calculation Date immediately following the earlier of (i) the Scheduled Termination Date or (ii) the Calculation Date immediately following the Termination Date.
Cash Settlement:	If Cash Settlement is applicable, then Buyer shall pay to Seller the absolute value of the Forward Cash Settlement Amount on the Cash Settlement Payment Date.
Cash Settlement Payment Date:	The date one Settlement Cycle following the last day of the Settlement Valuation Period.

Net Share Settlement
Procedures:

If Net Share Settlement is applicable, Net Share Settlement shall be made in accordance with paragraphs 2 through 7 below.

2. Net Share Settlement shall be made by delivery on the Cash Settlement Payment Date of a number of Shares satisfying the conditions set forth in paragraph 3 below (the "Registered Settlement Shares"), or a number of Shares not satisfying such conditions (the "Unregistered Settlement Shares"), in either case with a value equal to the absolute value of the Forward Cash Settlement Amount, with such Shares' value based on the value thereof to Dealer (which value shall, in the case of Unregistered Settlement Shares, take into account a commercially reasonable illiquidity discount), in each case as determined by the Calculation Agent.

3. Counterparty may only deliver Registered Settlement Shares pursuant to paragraph 2 above if:

(a) a registration statement covering public resale of the Registered Settlement Shares by Dealer (the "Registration Statement") shall have been filed with the Securities and Exchange Commission under the Securities Act and been declared or otherwise become effective on or prior to the date of delivery, and no stop order shall be in effect with respect to the Registration Statement; a printed prospectus relating to the Registered Settlement Shares (including any prospectus supplement thereto, the "Prospectus") shall have been delivered to Dealer, in such quantities as Dealer shall reasonably have requested, on or prior to the date of delivery;

(b) the form and content of the Registration Statement and the Prospectus (including, without limitation, any sections describing the plan of distribution) shall be satisfactory to Dealer;

(c) as of or prior to the date of delivery, Dealer and its agents shall have been afforded a reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities and the results of such investigation are satisfactory to Dealer, in its discretion; and

(d) as of the date of delivery, an agreement (the "Underwriting Agreement") shall have been entered into with Dealer in connection with the public resale of the Registered Settlement Shares by Dealer substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance reasonably satisfactory to Dealer, which Underwriting Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating, without limitation, to the mutual indemnification of, and contribution in connection with the liability of, the parties and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters.

4. If Counterparty delivers Unregistered Settlement Shares pursuant to paragraph 2 above:

(a) all Unregistered Settlement Shares shall be delivered to Dealer (or any affiliate of Dealer designated by Dealer) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof;

(b) as of or prior to the date of delivery, Dealer and any potential purchaser of any such shares from Dealer (or any affiliate of Dealer designated by Dealer) identified by Dealer shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for similarly-sized private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them); *provided* that, prior to receiving or being granted access to any such information, any such potential purchaser may be required by Counterparty to enter into a customary non-disclosure agreement with Counterparty in respect of any such due diligence investigation;

(c) as of the date of delivery, Counterparty shall enter into an agreement (a "Private Placement Agreement") with Dealer (or any affiliate of Dealer designated by Dealer) in connection with the private placement of such shares by Counterparty to Dealer (or any such affiliate) and the private resale of such shares by Dealer (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonable satisfactory to Dealer, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the mutual indemnification of, and contribution in connection with the liability of, the parties and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters, and shall provide for the payment by Counterparty of all reasonable fees and expenses in connection with such resale, including all reasonable fees and expenses of counsel for Dealer, and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

(d) in connection with the private placement of such shares by Counterparty to Dealer (or any such affiliate) and the private resale of such shares by Dealer (or any such affiliate), Counterparty shall, if so requested by Dealer, prepare, in cooperation with Dealer, a private placement memorandum in form and substance reasonably satisfactory to Dealer.

5. Dealer, itself or through an affiliate (the "Selling Agent") or any underwriter(s), will sell in a commercially reasonable manner all, or such lesser portion as may be required hereunder, of the Registered Settlement Shares or Unregistered Settlement Shares and any Makewhole Shares (as defined below) (together, the "Settlement Shares") delivered by Counterparty to Dealer pursuant to paragraph 6 below commencing on the Cash Settlement Payment Date and continuing until the date on which the aggregate Net Proceeds (as such term is defined below) of such sales, as determined by Dealer, is equal to the absolute value of the Forward Cash Settlement Amount (such date, the "Final Resale Date"). If the proceeds of any sale(s) made by Dealer, the Selling Agent or any underwriter(s), net of any reasonable fees and commissions (including, without limitation, underwriting or placement fees) customary for similar transactions under the circumstances at the time of the offering, together with reasonable carrying charges and expenses incurred in connection with the offer and sale of the Shares (including, but without limitation to, the covering of any over-allotment or short position (syndicate or otherwise)) (the "Net Proceeds") exceed the absolute value of the Forward Cash Settlement Amount, Dealer will refund, in USD (or, at Counterparty's election, Shares of equivalent value, as determined by the Calculation Agent), such excess to Counterparty on the date that is three (3) Currency Business Days following the Final Resale Date (or, in the case of such a refund in Shares, commercially reasonably promptly thereafter), and, if any portion of the Settlement Shares remains unsold, Dealer shall return to Counterparty on that date such unsold Shares.

6. If the Calculation Agent determines that the Net Proceeds received from the sale of the Registered Settlement Shares or Unregistered Settlement Shares or any Makewhole Shares, if any, pursuant to this paragraph 6 are less than the absolute value of the Forward Cash Settlement Amount (the amount in USD by which the Net Proceeds are less than the absolute value of the Forward Cash Settlement Amount being the "Shortfall" and the date on which such determination is made, the "Deficiency Determination Date"), Counterparty shall on the Calculation Date next succeeding the Deficiency Determination Date (the "Makewhole Notice Date") deliver to Dealer, through the Selling Agent, a notice of Counterparty's election that Counterparty shall either (i) pay an amount in cash equal to the Shortfall on the day that is one (1) Currency Business Day after the Makewhole Notice Date, or (ii) deliver additional Shares. If Counterparty elects to deliver to Dealer additional Shares, then Counterparty shall deliver additional Shares in compliance with the terms and conditions of paragraph 3 or paragraph 4 above, as the case may be (the "Makewhole Shares"), on the first Clearance System Business Day which is also a Calculation Date following the Makewhole Notice Date in such number as the Calculation Agent reasonably believes would have a market value on that Calculation Date equal to the Shortfall. Such Makewhole Shares shall be sold by Dealer in accordance with the provisions above; *provided* that if the sum of the Net Proceeds from the sale of the originally delivered Shares and the Net Proceeds from the sale of any Makewhole Shares is less than the absolute value of the Forward Cash Settlement Amount then Counterparty shall, at its election, either make such cash payment or deliver to Dealer further Makewhole Shares until such Shortfall has been reduced to zero.

7. Notwithstanding the foregoing, in no event shall the aggregate number of Settlement Shares and Makewhole Shares be greater than the Reserved Shares *minus* the amount of any Shares actually

delivered by Counterparty under any other Transaction(s) under this Master Confirmation (the result of such calculation, the "Capped Number"). Counterparty represents and warrants (which shall be deemed to be repeated on each day that a Transaction is outstanding) that the Capped Number is equal to or less than the number of Shares determined according to the following formula:

$$A - B$$

Where A = the number of authorized but unissued shares of the Counterparty that are not reserved for future issuance on the date of the determination of the Capped Number; and

B = the maximum number of Shares required to be delivered to third parties if Counterparty elected Net Share Settlement of all transactions in the Shares (other than Transactions in the Shares under this Master Confirmation) with all third parties that are then currently outstanding and unexercised.

"Reserved Shares" means, initially, 19,490,000 Shares. The Reserved Shares may be increased or decreased in a Supplemental Confirmation.

J.P.Morgan

Opening Transaction

To: Duke Energy Corporation
550 South Tryon Street
Charlotte, North Carolina 28202-1803

From: JPMorgan Chase Bank, National Association
P.O. Box 161
60 Victoria Embankment
London EC4Y 0JP
England

Re: Accelerated Stock Buyback

Date: April 6, 2015

This master confirmation (this "**Master Confirmation**"), dated as of April 6, 2015 is intended to set forth certain terms and provisions of certain Transactions (each, a "**Transaction**") entered into from time to time between J.P. Morgan Securities LLC ("**JPMS**"), as agent for JPMorgan Chase Bank, National Association, London Branch ("**Dealer**") and Duke Energy Corporation ("**Counterparty**"). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The additional terms of any particular Transaction shall be set forth in a Supplemental Confirmation in the form of Schedule A hereto (a "**Supplemental Confirmation**"), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation. This Master Confirmation and each Supplemental Confirmation together shall constitute a "**Confirmation**" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation and each Supplemental Confirmation evidence a complete binding agreement between Counterparty and Dealer as to the subject matter and terms of each Transaction to which this Master Confirmation and such Supplemental Confirmation relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

This Master Confirmation and each Supplemental Confirmation supplement, form a part of, and are subject to an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the "**Agreement**") as if Dealer and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of Loss and Second Method, New York law (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law) as the governing law and US Dollars ("**USD**") as the Termination Currency, (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions, (iii) the replacement of the word "third" in the last line of Section 5(a)(i) with the word "second" and (iv) the election that the "Cross Default" provisions of Section 5(a)(vi) shall apply to Dealer, with a "Threshold Amount" of three percent (3%) of Dealer's shareholders' equity, and to Counterparty, with a "Threshold Amount" of USD 150 million (*provided that, in each case, (a) the text "or becoming capable at such time of being declared," shall be deleted from Section 5(a)(vi)(1) and (b) the following provision shall be added to the end of Section 5(a)(vi): "but a default under clause (2) above shall not constitute an Event of Default if (x) the default was caused solely by error or omission of an administrative or operational nature, (y) funds were available to enable the party to make the payment when due and (z) the payment is made within two Local Business Days of such party's receipt of written notice of its failure to pay"*)).

JPMorgan Chase Bank, National Association
Organised under the laws of the United States as a National Banking Association.
Main Office 1111 Polaris Parkway, Columbus, Ohio 43240
Registered as a branch in England & Wales branch No. BR000746
Registered Branch Office 25 Bank Street, Canary Wharf, London, E14 5JP
Authorised and regulated by the Financial Services Authority

J.P.Morgan

The Transactions shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between Dealer and Counterparty or any confirmation or other agreement between Dealer and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between Dealer and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which Dealer and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

All provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation and each Supplemental Confirmation except as expressly modified herein or in the related Supplemental Confirmation.

If, in relation to any Transaction to which this Master Confirmation and a Supplemental Confirmation relate, there is any inconsistency between the Agreement, this Master Confirmation, any Supplemental Confirmation and the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Supplemental Confirmation; (ii) this Master Confirmation; (iii) the Equity Definitions; and (iv) the Agreement.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions that, together with the terms and conditions set forth in the Supplemental Confirmation relating to any Transaction, shall govern such Transaction.

General Terms:

Trade Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Buyer:	Counterparty
Seller:	Dealer
Shares:	Common stock, par value USD 0.001 per share, of Counterparty (Ticker: DUK)
Exchange:	New York Stock Exchange
Related Exchange(s):	All Exchanges.
Prepayment\Variable Obligation:	Applicable
Prepayment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Prepayment Date:	For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation:

VWAP Price:	For any Exchange Business Day, as determined by the Calculation Agent based on the New York 10b-18 Volume Weighted Average Price per Share for the regular trading session (including any extensions thereof) of the Exchange on such Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange
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Authorised and regulated by the Financial Services Authority

Business Day, on Bloomberg page "DUK.N <Equity> AQR_SEC" (or any successor thereto), or if such price is not so reported on such Exchange Business Day for any reason or is, in the Calculation Agent's reasonable determination, erroneous, such VWAP Price shall be as reasonably determined by the Calculation Agent. For purposes of calculating the VWAP Price, the Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and are effected pursuant to the conditions of Rule 10b-18(b)(3), each under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (such trades, "Rule 10b-18 eligible transactions").

- Forward Price: The average of the VWAP Prices for the Calculation Dates in the Calculation Period, subject to "Valuation Disruption" below.
- Forward Price Adjustment Amount: For each Transaction, as set forth in the related Supplemental Confirmation.
- Calculation Period: The period from and including the Calculation Period Start Date to and including the Termination Date.
- Calculation Period Start Date: For each Transaction, as set forth in the related Supplemental Confirmation.
- Termination Date: The Scheduled Termination Date; *provided* that Dealer shall have the right to designate any Calculation Date on or after the First Acceleration Date to be the Termination Date (the "Accelerated Termination Date") by delivering notice to Counterparty of any such designation prior to 11:59 p.m. New York City time on the Calculation Date immediately following the designated Accelerated Termination Date.
- Calculation Dates: For each Transaction, any date that is both an Exchange Business Day and is set forth as a Calculation Date in the related Supplemental Confirmation and every other Scheduled Trading Day following the last Calculation Date set forth in such Supplemental Confirmation; *provided* that beginning three (3) Exchange Business Days following any Other Transaction Termination Date for such Transaction, Calculation Date for such Transaction shall mean any Exchange Business Day. "Other Transaction Termination Date" means, for any Transaction, the termination date or, if later, the last day of any settlement valuation period under any similar and substantially contemporaneous transaction entered into between Counterparty and another dealer, which other transaction shall have terms substantially identical to the terms of such Transaction, except for calculation dates that do not coincide with any Calculation Dates hereunder. Counterparty shall notify Dealer of any Other Transaction Termination Date on the earlier of such Other Transaction Termination Date and the date Counterparty is notified of such Other Transaction Termination Date.
- Scheduled Termination Date: For each Transaction, as set forth in the related Supplemental Confirmation, subject to postponement as provided in "Valuation Disruption" below.
- First Acceleration Date: For each Transaction, as set forth in the related Supplemental Confirmation.
- Valuation Disruption: The definition of "Market Disruption Event" in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words "at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be" and inserting the words "at any time on any Scheduled Trading Day during the

Calculation Period or Settlement Valuation Period” after the word “material,” in the third line thereof.

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term “Scheduled Closing Time” in the fourth line thereof.

Notwithstanding anything to the contrary in the Equity Definitions, to the extent that a Disrupted Day occurs (i) on a Scheduled Trading Day scheduled to be a Calculation Date in the Calculation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, postpone the Scheduled Termination Date to the next Calculation Date, or (ii) on a Scheduled Trading Day scheduled to be a Calculation Date in the Settlement Valuation Period, the Calculation Agent may extend the Settlement Valuation Period by up to one Calculation Date for each such Disrupted Day. If any such Disrupted Day is a Disrupted Day because of a Market Disruption Event (or a deemed Market Disruption Event as provided herein), the Calculation Agent shall determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Forward Price or the Settlement Price, as the case may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions in the Shares on such Disrupted Day taking into account the nature and duration of the relevant Market Disruption Event, and the weighting of the VWAP Price for the relevant Calculation Dates during the Calculation Period or the Settlement Valuation Period, as the case may be, shall be adjusted in a commercially reasonable manner by the Calculation Agent for purposes of determining the Forward Price or the Settlement Price, as the case may be, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full.

If a Disrupted Day occurs on a Scheduled Trading Day scheduled to be a Calculation Date during the Calculation Period or the Settlement Valuation Period, as the case may be, and each of the five immediately following scheduled Calculation Dates is a Disrupted Day, then the Calculation Agent, in its good faith and commercially reasonable discretion, may deem such fifth scheduled Calculation Date to be an Exchange Business Day that is not a Disrupted Day and determine the VWAP Price for such fifth scheduled Calculation Date using its good faith estimate of the value of the Shares on such fifth scheduled Calculation Date based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate.

Settlement Terms:

Settlement Procedures:

If the Number of Shares to be Delivered is positive, Physical Settlement shall be applicable; *provided* that Dealer does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by Dealer to Counterparty under any Transaction. If the Number of

Shares to be Delivered is negative, then the Counterparty Settlement Provisions in Annex A shall apply.

Number of Shares to be Delivered: A number of Shares equal to (x)(a) the Prepayment Amount *divided by* (b) the Divisor Amount *minus* (y) the number of Initial Shares.

Divisor Amount: The greater of (i) the Forward Price *minus* the Forward Price Adjustment Amount and (ii) USD 1.00.

Excess Dividend Amount: For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.

Settlement Date: If the Number of Shares to be Delivered is positive, the date that is one Settlement Cycle immediately following the Termination Date.

Settlement Currency: USD

Initial Share Delivery: Dealer shall deliver a number of Shares equal to the Initial Shares to Counterparty on the Initial Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date deemed to be a "Settlement Date" for purposes of such Section 9.4.

Initial Share Delivery Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Initial Shares: For each Transaction, as set forth in the related Supplemental Confirmation.

Share Adjustments:

Potential Adjustment Event: Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event, nor shall the issuance of stock options, restricted stock or restricted stock units in the ordinary course pursuant to Counterparty's employee incentive plan.

It shall constitute an additional Potential Adjustment Event if the Scheduled Termination Date for any Transaction is postponed pursuant to "Valuation Disruption" above, in which case the Calculation Agent may, in its commercially reasonable discretion, adjust any relevant terms of any such Transaction as necessary to account for the economic effect on such Transaction of such postponement; *provided* that the Calculation Agent shall not change the designation of any Calculation Date.

Extraordinary Dividend: For any calendar quarter, any dividend or distribution on the Shares with an ex-dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii) (A) of the Equity Definitions) (a "Dividend") the amount or value of which (as determined by the Calculation Agent), when aggregated with the amount or value (as determined by the Calculation Agent) of any and all previous Dividends with ex-dividend dates occurring in the same calendar quarter, exceeds the Ordinary Dividend Amount for such Dividend.

Ordinary Dividend Amount: For each Dividend for each Transaction, as set forth in the related Supplemental Confirmation

Method of Adjustment: Calculation Agent Adjustment

Early Ordinary Dividend
Payment:

If an ex-dividend date for any Dividend that is not an Extraordinary Dividend occurs during any calendar quarter occurring (in whole or in part) during the Relevant Dividend Period (as defined below) and is prior to the Scheduled Ex-Dividend Date for such calendar quarter, the Calculation Agent shall make such adjustment to the exercise, settlement, payment or any other terms of the relevant Transaction as the Calculation Agent determines appropriate to account for the economic effect on such Transaction of such event.

Scheduled Ex-Dividend
Dates:

For each Transaction for each calendar quarter, as set forth in the related Supplemental Confirmation.

Extraordinary Events:

Consequences of
Merger Events:

- (a) Share-for-Share: Modified Calculation Agent Adjustment
- (b) Share-for-Other: Cancellation and Payment
- (c) Share-for-Combined: Component Adjustment

Tender Offer:

Applicable; *provided* that (i) Section 12.1(d) of the Equity Definitions shall be amended by replacing "10%" in the third line thereof with "15%", (ii) Section 12.1(l) of the Equity Definitions shall be amended (x) by deleting the parenthetical in the fifth line thereof, (y) by replacing "that" in the fifth line thereof with "whether or not such announcement" and (z) by adding immediately after the words "Tender Offer" in the fifth line thereof, and any publicly announced change or amendment to such an announcement (including the announcement of an abandonment of such intention)" and (iii) Sections 12.3(a) and 12.3(d) of the Equity Definitions shall each be amended by replacing each occurrence of the words "Tender Offer Date" by "Announcement Date."

Consequences of
Tender Offers:

- (a) Share-for-Share: Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Dealer
- (b) Share-for-Other: Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Dealer
- (c) Share-for-Combined: Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Dealer

Nationalization,
Insolvency or Delisting:

Cancellation and Payment; *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, NYSE MKT, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.

Additional Disruption Events:

- (a) Change in Law: Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase “the interpretation” in the third line thereof with the phrase “, or public announcement of, the formal or informal interpretation”, (ii) by replacing the word “Shares” where it appears in clause (X) thereof with the words “Hedge Position” and (iii) by immediately following the word “Transaction” in clause (X) thereof, adding the phrase “in the manner contemplated by the Hedging Party on the Trade Date”; *provided further* that (i) any determination as to whether (A) the adoption of or any change in any applicable law or regulation (including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute) or (B) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a “Change in Law” shall be made without regard to Section 739 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and (ii) Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word “regulation” in the second line thereof the words “(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)”.
- (b) Failure to Deliver: Applicable
- (c) Insolvency Filing: Applicable
- (d) Hedging Disruption: Applicable
- (e) Increased Cost of Hedging: Applicable
- (f) Loss of Stock Borrow: Applicable

Maximum Stock Loan Rate: For each Transaction, as set forth in the related Supplemental Confirmation.

Hedging Party: Dealer

- (g) Increased Cost of Stock Borrow: Applicable

Initial Stock Loan Rate: For each Transaction, as set forth in the related Supplemental Confirmation.

Hedging Party: Dealer

Determining Party: Dealer

Additional Termination Event(s): Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, any Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with such terminated Transaction(s) (or portions thereof) being the Affected Transaction(s) and Counterparty being the sole Affected Party) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction(s).

The declaration by the Issuer of any Extraordinary Dividend, the ex-dividend date for which occurs or is reasonably expected to occur, as determined by the Calculation Agent, during the Relevant Dividend Period, will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.

Relevant Dividend Period: The period from and including the Calculation Period Start Date to and including the Relevant Dividend Period End Date.

Relevant Dividend Period End Date: If the Number of Shares to be Delivered is negative, the last day of the Settlement Valuation Period; otherwise, the Termination Date.

Non-Reliance/Agreements and Acknowledgements Regarding Hedging Activities/Additional Acknowledgements: Applicable

Dealer Payment Instructions: To be provided separately.

Counterparty's Contact Details for Purpose of Giving Notice: W. Bryan Buckler
Assistant Treasurer
Duke Energy Corporation
550 South Tryon Street
Charlotte NC 28202
Telephone: 704-382-2640
Email: Bryan.Buckler@duke-energy.com

Dealer's Contact Details for Purpose of Giving Notice: JPMorgan Chase Bank, National Association
EDG Marketing Support
Email: edg_notices@jpmorgan.com
edg_ny_corporate_sales_support@jpmorgan.com

With a copy to:
Sanjeet S. Dewal
Executive Director
Equity Derivatives Group
J.P. Morgan Securities LLC
383 Madison Avenue, 5th Floor
New York, NY 10179
Telephone No: (212) 622-8783
Email: sanjeet.s.dewal@jpmorgan.com

Form of Notice: Section 12(a)(ii) of the Agreement hereby is amended by deleting the text thereof and inserting “[Reserved]” in place of such text. Section 12(b) of the Agreement hereby is amended by striking the word “telex” and the comma immediately preceding such word. For the avoidance of doubt, the text “electronic messaging system” as used in Section 12 of the Agreement shall mean only electronic mail (also known as e-mail).

2. Calculation Agent. Dealer; *provided that*, following the occurrence and during the continuance of an Event of Default of the type described in Section 5(a)(vii) of the Agreement with respect to which Dealer is the Defaulting Party, Counterparty shall have the right to designate a leading dealer in the over-the-counter equity derivatives market to act as the Calculation Agent.

3. Additional Mutual Representations, Warranties and Covenants of Each Party. In addition to the representations, warranties and covenants in the Agreement, each party represents, warrants and covenants to the other party that:

(a) Eligible Contract Participant. It is an “eligible contract participant”, as defined in the U.S. Commodity Exchange Act (as amended), and is entering into each Transaction hereunder as principal (and not as agent or in any other capacity, fiduciary or otherwise) and not for the benefit of any third party.

(b) Accredited Investor. Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), by virtue of Section 4(a)(2) thereof. Accordingly, each party represents and warrants to the other that (i) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (ii) it is an “accredited investor” as that term is defined under Regulation D under the Securities Act and (iii) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

4. Additional Representations, Warranties and Covenants of Counterparty. In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Dealer that:

(a) The purchase or writing of each Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(b) It is not entering into any Transaction (i) on the basis of, and is not aware of, any material non-public information with respect to the Shares, (ii) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer or (iii) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(c) Each Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program.

(d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that neither Dealer nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of any Transaction under any accounting standards including ASC Topic 260, *Earnings Per Share*, ASC Topic 815, *Derivatives and Hedging*, or ASC Topic 480, *Distinguishing Liabilities from Equity* and ASC 815-40, *Derivatives and Hedging - Contracts in Entity's Own Equity*.

(e) As of (i) the date hereof and (ii) the Trade Date for each Transaction hereunder, Counterparty is in compliance with its reporting obligations under the Exchange Act and its most recent Annual Report on Form 10-K, together with all reports subsequently filed or furnished by it pursuant to the Exchange Act and all public statements by it, taken together and as amended and supplemented to the date of this representation, do not, as of their

respective dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Counterparty shall report each Transaction as required under the Exchange Act and the rules and regulations thereunder.

(g) The Shares are not, and Counterparty will not cause the Shares to be, subject to a "restricted period" (as defined in Regulation M promulgated under the Exchange Act) at any time during any Regulation M Period (as defined below) for any Transaction unless Counterparty has provided written notice to Dealer of such restricted period not later than the Scheduled Trading Day immediately preceding the first day of such "restricted period"; Counterparty acknowledges that any such notice may cause a Disrupted Day to occur pursuant to Section 5 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 6 below; "Regulation M Period" means, for any Transaction, (i) the Relevant Period (as defined below) and (ii) the Settlement Valuation Period, if any, for such Transaction. "Relevant Period" means, for any Transaction, the period commencing on the Trade Date for such Transaction and ending on the earlier of (i) the Scheduled Termination Date and (ii) the last Additional Relevant Day (as specified in the related Supplemental Confirmation) for such Transaction, or such earlier day as elected by Dealer and communicated to Counterparty on such day (or, if later, the First Acceleration Date without regard to any acceleration thereof pursuant to "Special Provisions for Acquisition Transaction Announcements" below).

(h) As of the Trade Date, the Prepayment Date, the Initial Share Delivery Date and the Settlement Date for each Transaction, Counterparty is not "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the "Bankruptcy Code")) and Counterparty would be able to purchase a number of Shares with a value equal to the Prepayment Amount in compliance with the laws of the jurisdiction of Counterparty's incorporation.

(i) Counterparty is not and, after giving effect to any Transaction, will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(j) Counterparty has not entered into and will not enter into agreements similar to the Transactions described herein where the relevant calculation or valuation dates in any initial hedge period, calculation period, relevant period or settlement valuation period (each however defined) in such other transaction will coincide at any time (including as a result of extensions in such initial hedge period, calculation period, relevant period or settlement valuation period as provided in the relevant agreements) with the Calculation Dates in any Relevant Period or, if applicable, any Settlement Valuation Period under this Master Confirmation. In the event that any relevant calculation or valuation dates in any initial hedge period, relevant period, calculation period or settlement valuation period in any other similar transaction coincides with any Calculation Dates in any Relevant Period or, if applicable, Settlement Valuation Period under this Master Confirmation as a result of any postponement of the Scheduled Termination Date or extension of the Settlement Valuation Period pursuant to "Valuation Disruption" above, Counterparty shall promptly amend such transaction to avoid any such overlap.

4A. Additional Representations, Warranties and Covenants of Dealer. In addition to the representations, warranties and covenants in the Agreement, Dealer represents, warrants and covenants to Counterparty that Dealer shall use commercially reasonable efforts, during the Calculation Period and any Settlement Valuation Period for each Transaction, to make all purchases of Shares in connection with such Transaction in a manner that would comply with the limitations set forth in clauses (b)(1), (b)(2), (b)(3) and (b)(4) and (c) of Rule 10b-18 under the Exchange Act ("Rule 10b-18"), as if such rule were applicable to such purchases and taking into account any applicable Securities and Exchange Commission no-action letters as appropriate, and subject to any delays between the execution and reporting of a trade of the Shares on the Exchange and other circumstances beyond Dealer's control; *provided* that, during a Calculation Period, the foregoing agreement shall not apply to purchases made to dynamically hedge for Dealer's own account or the account of its affiliate(s) the optionality arising under a Transaction (including, for the avoidance of doubt, timing optionality); and *provided further* that, without limiting the generality of the first sentence of this Section 4A, Dealer shall not be responsible for any failure to comply with Rule 10b-18(b)(3) to the extent any transaction that was executed (or deemed to be executed) by or on behalf of

Counterparty or an "affiliated purchaser" (as defined under Rule 10b-18) pursuant to a separate agreement is not deemed to be an "independent bid" or an "independent transaction" for purposes of Rule 10b-18(b)(3).

5. Regulatory Disruption. In the event that Dealer concludes, in its reasonable discretion, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Dealer but so long as such requirements, policies or procedures are generally applicable in similar circumstances and not arbitrarily or capriciously applied), for it to refrain from or decrease any market activity on any Scheduled Trading Day or Days during the Calculation Period or, if applicable, the Settlement Valuation Period, Dealer may by written notice to Counterparty elect to deem that a Market Disruption Event has occurred and will be continuing on such Scheduled Trading Day or Days.

6. 10b5-1 Plan. Counterparty represents, warrants and covenants to Dealer that:

(a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act ("Rule 10b5-1") or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that it is the intent of the parties that each Transaction entered into under this Master Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).

(b) Counterparty will not seek to control or influence Dealer's decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under any Transaction entered into under this Master Confirmation, including, without limitation, Dealer's decision to enter into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or the relevant Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a "plan" as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, and no such amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

7. Counterparty Purchases. Counterparty (or any "affiliated purchaser" as defined in Rule 10b-18) shall not, without the prior written consent of Dealer, directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on the Shares or securities that are convertible into, or exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) on any Calculation Date during any Relevant Period or, if applicable, Settlement Valuation Period, except through Dealer. However, the foregoing shall not (a) limit Counterparty's ability, pursuant to its employee incentive plan or dividend reinvestment program, to re-acquire Shares from employees in connection with such plan or program, (b) limit Counterparty's ability to withhold Shares to cover tax liabilities associated with such a plan, (c) prohibit any purchases effected by or for an issuer "plan" by an "agent independent of the issuer" (each as defined in Rule 10b-18), (d) otherwise restrict Counterparty's or any of its affiliates' ability to repurchase Shares under privately negotiated, off exchange transactions with any of its employees, officers, directors, affiliates or any third party that are not expected to result in market transactions or (e) limit Counterparty's ability to grant stock and options to "affiliated purchasers" (as defined in Rule 10b-18) or the ability of such affiliated purchasers to acquire such stock or options in connection with Counterparty's compensation policies for directors, officers and employees or any agreements with respect to the compensation of directors, officers or employees of any entities that are acquisition targets of Counterparty, and in connection with any such purchase under (a) through (e) above, Counterparty will be deemed to represent to Dealer that such purchase does not constitute a "Rule 10b-18 purchase" (as defined in Rule 10b-18).

8. Special Provisions for Merger Transactions. Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Counterparty agrees that it:

(i) will not during the period commencing on the Trade Date through the end of the Relevant Period or, if applicable, the Settlement Valuation Period for any Transaction make, or permit to be made (if within its control), any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction (a "Public Announcement") unless such Public Announcement is made prior to the opening or after the close of the regular trading session on the Exchange for the Shares;

(ii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) notify Dealer following any such Public Announcement that such Public Announcement has been made; and

(iii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide Dealer with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the date of such Public Announcement that were not effected through Dealer or its affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the date of such Public Announcement. Such written notice shall be deemed to be a certification by Counterparty to Dealer that such information is true and correct. In addition, Counterparty shall promptly notify Dealer of the earlier to occur of the completion of the relevant Merger Transaction and the completion of the vote by target shareholders.

(b) Counterparty acknowledges that a Public Announcement may cause the terms of any Transaction to be adjusted or such Transaction to be terminated; accordingly, Counterparty acknowledges that in making any Public Announcement, it must comply with the standards set forth in Section 6 above.

(c) Upon the occurrence of any Public Announcement (whether made by Counterparty or a third party) Dealer in its sole discretion may either (i) elect that the Calculation Agent shall make adjustments to the terms of any Transaction to account for the economic effect of such Public Announcement on such Transaction (other than changing the designation of any Calculation Date), including, without limitation, the Scheduled Termination Date or the Forward Price Adjustment Amount, and/or suspend the Calculation Period and/or any Settlement Valuation Period or (ii) treat the occurrence of such Public Announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions and with the amount under Section 6(e) of the Agreement determined taking into account the fact that the Calculation Period or Settlement Valuation Period, as the case may be, had fewer Scheduled Trading Days than originally anticipated.

"Merger Transaction" means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

9. Special Provisions for Acquisition Transaction Announcements. (a) If an Acquisition Transaction Announcement occurs on or prior to the Settlement Date for any Transaction, then the Calculation Agent shall make such adjustments to the exercise, settlement, payment or any other terms of such Transaction as the Calculation Agent determines appropriate, at such time or at multiple times as the Calculation Agent determines appropriate, to account for the economic effect on such Transaction of such Acquisition Transaction Announcement (including adjustments to account for changes in volatility, expected dividends, stock loan rate and liquidity relevant to the Shares or to such Transaction). If an Acquisition Transaction Announcement occurs after the Trade Date, but prior to the First Acceleration Date of any Transaction, the First Acceleration Date shall be the date of such Acquisition Transaction Announcement.

(b) "Acquisition Transaction Announcement" means (i) the announcement of an Acquisition Transaction, (ii) an announcement that Counterparty or any of its subsidiaries has entered into an agreement, a letter

of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that could reasonably be expected to include, an Acquisition Transaction, (iv) any other announcement that in the reasonable judgment of the Calculation Agent may result in an Acquisition Transaction or (v) any announcement of any change or amendment to any previous Acquisition Transaction Announcement (including any announcement of the abandonment of any such previously announced Acquisition Transaction, agreement, letter of intent, understanding or intention). For the avoidance of doubt, announcements as used in the definition of Acquisition Transaction Announcement refer to any public announcement whether made by the Issuer or a third party.

(c) "Acquisition Transaction" means (i) any Merger Event (for purposes of this definition the definition of Merger Event shall be read with the references therein to "100%" being replaced by "20%" and to "50%" by "75%" and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the merger of Counterparty with or into any third party, (ii) the sale or transfer of all or substantially all of the assets of Counterparty, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction with respect to Counterparty, (iv) any acquisition, lease, exchange, transfer, disposition (including by way of spin-off or distribution) of assets (including any capital stock or other ownership interests in subsidiaries) or other similar event by Counterparty or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Counterparty or its subsidiaries exceeds 15% of the market capitalization of Counterparty and (v) any transaction in which Counterparty or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14e-2 under the Exchange Act or otherwise).

10. Acknowledgments. (a) The parties hereto intend for:

(i) each Transaction to be a "securities contract" as defined in Section 741(7) of the Bankruptcy Code, a "swap agreement" as defined in Section 101(53B) of the Bankruptcy Code and a "forward contract" as defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 555, 556, 560 and 561 of the Bankruptcy Code;

(ii) the Agreement to be a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code;

(iii) a party's right to liquidate, terminate or accelerate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a "contractual right" (as defined in the Bankruptcy Code); and

(iv) all payments for, under or in connection with each Transaction, all payments for the Shares (including, for the avoidance of doubt, payment of the Prepayment Amount) and the transfer of such Shares to constitute "settlement payments" and "transfers" (as defined in the Bankruptcy Code).

(b) Counterparty acknowledges that:

(i) during the term of any Transaction, Dealer and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to such Transaction;

(ii) Dealer and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to any Transaction, including acting as agent or as principal and for its own account or on behalf of customers;

(iii) Dealer shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty's securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the VWAP Price;

(iv) any market activities of Dealer and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price and VWAP Price, each in a manner that may be adverse to Counterparty; and

(v) each Transaction is a derivatives transaction in which it has granted Dealer an option; Dealer may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction.

(c) Counterparty:

(i) is an "institutional account" as defined in FINRA Rule 4512(c);

(ii) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities, and will exercise independent judgment in evaluating the recommendations of Dealer or its associated persons unless it has otherwise notified Dealer in writing; and

(iii) will notify Dealer if any of the statements contained in clause (i) or (ii) of this Section 10(c) ceases to be true.

11. Credit Support Documents. The parties hereto acknowledge that no Transaction hereunder is secured by any collateral that would otherwise secure the obligations of Counterparty herein or pursuant to the Agreement.

12. Set-off. (a) The parties agree to amend Section 6 of the Agreement by adding a new Section 6(f) thereto as follows:

"(f) Upon the occurrence of an Event of Default or Termination Event with respect to a party who is the Defaulting Party or the Affected Party ("X"), the other party ("Y") will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y owed to X (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 6(f).

Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."

(b) Notwithstanding anything to the contrary in the foregoing, Dealer agrees not to set off or net amounts due from Counterparty with respect to any Transaction against amounts due from Dealer to Counterparty with respect to contracts or instruments that are not Equity Contracts. "Equity Contract" means any transaction or instrument that does not convey to Dealer rights, or the ability to assert claims, that are senior to the rights and claims of common stockholders in the event of Counterparty's bankruptcy.

13. Delivery of Shares. Notwithstanding anything to the contrary herein, Dealer may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an "Original Delivery Date") by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

14. Early Termination. In the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction (except as a result of a Merger Event in which the consideration or proceeds to be paid to holders of Shares consists solely of cash), if either party would owe any amount to the other party pursuant to Section 6(d)(ii) of the Agreement (any such amount, a "Payment Amount"), then, in lieu of any payment of such Payment Amount, Counterparty may, no later than the Early Termination Date or the date on which such Transaction is terminated, elect to deliver or for Dealer to deliver, as the case may be, to the other party a number of Shares (or, in the case of a Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Merger Event (each such unit, an "Alternative Delivery Unit" and, the securities or property comprising such unit, "Alternative Delivery Property")) with a value equal to the Payment Amount, as determined by the Calculation Agent (and the parties agree that, in making such determination of value, the Calculation Agent may take into account a number of factors, including the market price of the Shares or Alternative Delivery Property on the date of early termination and, if such delivery is made by Dealer, the prices at which Dealer purchases Shares or Alternative Delivery Property on any Calculation Date to fulfill its delivery obligations under this Section 14); *provided* that in determining the composition of any Alternative Delivery Unit, if the relevant Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash; and *provided further* that Counterparty may make such election only if Counterparty represents and warrants to Dealer in writing on the date it notifies Dealer of such election that, as of such date, Counterparty is not aware of any material non-public information concerning the Shares and is making such election in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws. If such delivery is made by Counterparty, paragraphs 2 through 7 of Annex A shall apply as if such delivery were a settlement of the Transaction to which Net Share Settlement applied, the Cash Settlement Payment Date were the Early Termination Date and the Forward Cash Settlement Amount were zero (0) *minus* the Payment Amount owed by Counterparty.

15. Calculations and Payment Date upon Early Termination. The parties acknowledge and agree that in calculating Loss pursuant to Section 6 of the Agreement Dealer may (but need not) determine losses without reference to actual losses incurred but based on expected losses assuming a commercially reasonable (including without limitation with regard to reasonable legal and regulatory guidelines) risk bid were used to determine loss to avoid awaiting the delay associated with closing out any hedge or related trading position in a commercially reasonable manner prior to or promptly following the designation of an Early Termination Date. Notwithstanding anything to the contrary herein or in Section 6(d)(ii) of the Agreement or in the Equity Definitions, all amounts calculated as being due in respect of an Early Termination Date under Section 6(e) of the Agreement or other termination or cancellation of a Transaction hereunder will be payable on the day that notice of the amount payable is effective; *provided* that if Counterparty elects to receive Shares or Alternative Delivery Property in accordance with Section 14, such Shares or Alternative Delivery Property shall be delivered on a date selected by Dealer as promptly as practicable.

16. Dealer Purchases. During any Relevant Period or, if applicable, Settlement Valuation Period, Dealer shall not purchase any Shares or enter into any transactions that, in whole or in part, have the effect of giving Dealer "long" economic exposure to the Shares in connection with any Transaction on any Exchange Business Day that is not a Calculation Date; *provided* that (i) Dealer shall be permitted on any day to exercise listed options relating to Shares or deliver or receive Shares upon exercise of listed options relating to Shares, in either case so long as such

options were purchased or written in compliance with this sentence and (ii) during the period (if any) from and including the Trade Date to but excluding the Calculation Period Start Date, Dealer shall be permitted to enter into delta-neutral volatility hedging transactions so long as such transactions (with such transactions entered into with the same counterparty viewed in the aggregate) do not result in an immediate increase in Dealer's net "long" exposure to the Shares and do not involve open market purchases of Shares.

17. **Automatic Termination Provisions.** Notwithstanding anything to the contrary in Section 6 of the Agreement, if a Termination Price is specified in any Supplemental Confirmation, then an Additional Termination Event with Counterparty as the sole Affected Party and the Transaction to which such Supplemental Confirmation relates as the Affected Transaction will automatically occur without any notice or action by Dealer or Counterparty if the VWAP Price for any Exchange Business Day is below such Termination Price, and such Exchange Business Day will be the "Early Termination Date" for purposes of the Agreement.

18. **Delivery of Cash.** For the avoidance of doubt, nothing in this Master Confirmation shall be interpreted as requiring Counterparty to deliver cash in respect of the settlement of the Transactions contemplated by this Master Confirmation following payment by Counterparty of the relevant Prepayment Amount, except in circumstances where the required cash settlement thereof is permitted for classification of the contract as equity by ASC 815-40, *Derivatives and Hedging - Contracts in Entity's Own Equity*, as in effect on the relevant Trade Date (including, without limitation, where Counterparty so elects to deliver cash or fails timely to elect to deliver Shares or Alternative Delivery Property in respect of the settlement of such Transactions).

19. **Claim in Bankruptcy.** Dealer acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transactions that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy.

20. **Governing Law.** The Agreement, this Master Confirmation, each Supplemental Confirmation and all matters arising in connection with the Agreement, this Master Confirmation and each Supplemental Confirmation shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law).

21. **Illegality.** The parties agree that, for the avoidance of doubt, for purposes of Section 5(b)(i) of the Agreement, "any applicable law" shall include the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any rules and regulations promulgated thereunder and any similar law or regulation, without regard to Section 739 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and the consequences specified in the Agreement, including without limitation, the consequences specified in Section 6 of the Agreement, shall apply to any Illegality arising from any such act, rule or regulation.

22. **Offices.**

(a) The Office of Dealer for each Transaction is: London

JPMorgan Chase Bank, National Association
P.O. Box 161
60 Victoria Embankment
London EC4Y 0JP
England

(b) The Office of Counterparty for each Transaction is: 550 South Tryon Street, Charlotte, North Carolina 28202-1803.

23. **Submission to Jurisdiction.** Section 13(b) of the Agreement is deleted in its entirety and replaced by the following:

“Each party hereby irrevocably and unconditionally submits for itself and its property in any suit, legal action or proceeding relating to this Agreement and/or any Transaction, or for recognition and enforcement of any judgment in respect thereof, (each, “Proceedings”) to the exclusive jurisdiction of the Supreme Court of the State of New York, sitting in New York County, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof. Nothing in the Master Confirmation, any Supplemental Confirmation or this Agreement precludes either party from bringing Proceedings in any other jurisdiction if (A) the courts of the State of New York or the United States of America for the Southern District of New York lack jurisdiction over the parties or the subject matter of the Proceedings or declines to accept the Proceedings on the grounds of lacking such jurisdiction; (B) the Proceedings are commenced by a party for the purpose of enforcing against the other party’s property, assets or estate any decision or judgment rendered by any court in which Proceedings may be brought as provided hereunder; (C) the Proceedings are commenced to appeal any such court’s decision or judgment to any higher court with competent appellate jurisdiction over that court’s decisions or judgments if that higher court is located outside the State of New York or Borough of Manhattan, such as a federal court of appeals or the U.S. Supreme Court; or (D) any suit, action or proceeding has been commenced in another jurisdiction by or against the other party or against its property, assets or estate and, in order to exercise or protect its rights, interests or remedies under this Agreement, the Master Confirmation or any Supplemental Confirmation, the party (1) joins, files a claim, or takes any other action, in any such suit, action or proceeding, or (2) otherwise commences any Proceeding in that other jurisdiction as the result of that other suit, action or proceeding having commenced in that other jurisdiction.”

24. **Waiver of Trial by Jury.** EACH OF COUNTERPARTY AND DEALER HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE AGREEMENT, THIS MASTER CONFIRMATION, EACH SUPPLEMENTAL CONFIRMATION AND EACH TRANSACTION HEREUNDER.

25. **Counterparts.** This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.

26. **Calculations and Adjustments.** For the avoidance of doubt, any calculation, adjustment or other determination made by Dealer, the Calculation Agent or a Determining Party hereunder will be provided to Counterparty on or prior to the effective date thereof or the effective date of any notice of an amount payable in respect thereof (including any such notice referenced in Section 6(d)(ii) of the Agreement) in a written statement showing, in reasonable detail, such calculation, adjustment or other determination and the basis therefor (including any quotations, market data and information from internal or external sources used in making such calculation, adjustment or other determination), it being understood that no person preparing or furnishing any such written statement shall have an obligation to disclose proprietary or confidential information; *provided* that in the case of determinations that are not calculations or adjustments, such a statement shall be required only to the extent that such a statement is reasonably necessary to show such determination or the basis therefor because such determination or basis is not apparent, and such a statement shall not be required where such determination is stated to be at Dealer’s sole election or discretion.

27. **Limit on Beneficial Ownership.** Notwithstanding anything to the contrary in this Master Confirmation, Counterparty acknowledges and agrees that, on any day, Dealer shall not be obligated to receive from Counterparty any Shares, and Counterparty shall not be entitled to deliver to Dealer any Shares, to the extent (but only to the extent) that after such transactions Dealer’s ultimate parent entity would directly or indirectly “beneficially own” (as such term is defined for purposes of Section 13(d) of the Exchange Act) at any time on such day in excess of 8% of the outstanding Shares. Any purported receipt of Shares shall be void and have no effect to the extent (but only to the extent) that after such receipt, Dealer’s ultimate parent entity would directly or indirectly so beneficially own in excess of 8% of the outstanding Shares. If, on any day, any receipt of Shares by Dealer is not effected, in whole or in part, as a result of this Section 27, Counterparty’s obligations to deliver such Shares shall not be extinguished and

any such delivery shall be effected over time by Counterparty as promptly as Dealer determines, such that after any such delivery, Dealer's ultimate parent entity would not directly or indirectly beneficially own in excess of 8% of the outstanding Shares.

28. **Role of Agent.** Each party agrees and acknowledges that (a) JPMS, an Affiliate of Dealer, has acted solely as agent and not as principal with respect to this Master Confirmation and each Transaction and (b) JPMS has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of any Transaction (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under any Transaction. Dealer represents to Counterparty that JPMS is authorized to act as agent for Dealer and that only Dealer and not Counterparty is responsible for the compensation of JPMS and the reimbursement of its expenses in so acting. Notwithstanding any other provision in this Master Confirmation to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Dealer may designate any of its Affiliates to purchase, sell, receive or deliver such Shares or other securities and otherwise to perform Dealer's obligations in respect of any Transaction and any such designee may assume such obligations. Dealer may assign the right to receive Settlement Shares to any third party who may legally receive Settlement Shares. Any such designation, assignment or assumption shall be subject to the conditions precedent that (i) no Event of Default, Potential Event of Default or Termination Event with respect to which Dealer is the Defaulting Party or an Affected Party, as the case may be, exists or would result therefrom, (ii) no Additional Disruption Event or other event giving rise to a right or responsibility to terminate or cancel the Transaction or to make an adjustment to the terms of the Transaction would result therefrom and (iii) Counterparty shall not, as a result thereof, either (A) be required to pay to Dealer an additional amount in respect of an Indemnifiable Tax or (B) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax as to which no additional amount is required to be paid. Dealer shall be discharged of its obligations to Counterparty only to the extent of any such performance. For the avoidance of doubt, Dealer hereby acknowledges that notwithstanding any such designation hereunder, to the extent any of Dealer's obligations in respect of any Transaction are not completed by its designee, Dealer shall be obligated to continue to perform or to cause any other of its designees to perform in respect of such obligations.

Counterparty hereby agrees (a) to check this Master Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Dealer) correctly sets forth the terms of the agreement between Dealer and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Dealer.

Yours faithfully,

J.P. MORGAN SECURITIES LLC,
AS AGENT FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, LONDON
BRANCH

By: /s/ Sanjeet S. Dewal
Authorized Signatory

Agreed and Accepted By:

DUKE ENERGY CORPORATION

By: /s/ Stephen G. De May
Name: Stephen G. De May
Title: Senior Vice President and Treasurer

SCHEDULE A
SUPPLEMENTAL CONFIRMATION

To: Duke Energy Corporation
550 South Tryon Street
Charlotte, North Carolina 28202-1803

From: JPMorgan Chase Bank, National Association
P.O. Box 161
60 Victoria Embankment
London EC4Y 0JP
England

Subject: Accelerated Stock Buyback

Date: [Insert Date]

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association, London Branch (“Dealer”) and Duke Energy Corporation (“Counterparty”) (together, the “Contracting Parties”) on the Trade Date specified below. This Supplemental Confirmation is a binding contract between Dealer and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of April 6, 2015 (the “Master Confirmation”) between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.
2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date: []
Forward Price Adjustment Amount: USD []
Calculation Period Start Date: []
Scheduled Termination Date: []
First Acceleration Date: []
Prepayment Amount: USD []
Prepayment Date: []

JPMorgan Chase Bank, National Association
Organised under the laws of the United States as a National Banking Association.
Main Office 1111 Polaris Parkway, Columbus, Ohio 43240
Registered as a branch in England & Wales branch No. BR000746
Registered Branch Office 25 Bank Street, Canary Wharf, London, E14 5JP
Authorised and regulated by the Financial Services Authority

Initial Shares: [] Shares; *provided* that if, in connection with the Transaction, Dealer is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that Dealer is able to so borrow or otherwise acquire.

Initial Share Delivery Date: []

Ordinary Dividend Amount: For the Dividend scheduled to have an ex-dividend date of the first Scheduled Ex-Dividend Date, USD []; for the Dividend scheduled to have an ex-dividend date of the second Scheduled Ex-Dividend Date, USD []; ...

Scheduled Ex-Dividend Dates: []

Maximum Stock Loan Rate: [] basis points per annum

Initial Stock Loan Rate: [] basis points per annum

Termination Price: USD [] per Share

Additional Relevant Days: The [] Calculation Dates immediately following the Calculation Period.

3. Calculation Dates:

1.		2.		3.	
4.		5.		6.	
7.		8.		9.	
10.		11.		12.	
13.		14.		15.	
16.		17.		18.	
19.		20.		21.	
22.		23.		24.	
25.		26.		27.	
28.		29.		30.	
31.		32.		33.	
34.		35.		36.	
37.		38.		39.	
40.		41.		42.	
43.		44.		45.	

46.		47.		48.	
49.		50.		51.	
52.		53.		54.	
55.		56.		57.	
58.		59.		60.	
61.		62.		63.	
64.		65.		66.	
67.		68.		69.	
70.		71.		72.	
73.		74.		75.	
76.		77.		78.	
79.		80.		81.	
82.		83.		84.	

4. Counterparty represents and warrants to Dealer that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

5. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Dealer) correctly sets forth the terms of the agreement between Dealer and Counterparty with respect to the Transaction to which this Supplemental Confirmation relates, by manually signing this Supplemental Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Dealer.

Yours sincerely,

**J.P. MORGAN SECURITIES LLC,
AS AGENT FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, LONDON
BRANCH**

By: _____
Authorized Signatory

Agreed and Accepted By:

DUKE ENERGY CORPORATION

By: _____
Name:
Title:

ANNEX A

COUNTERPARTY SETTLEMENT PROVISIONS

1. The following Counterparty Settlement Provisions shall apply to the extent indicated under the Master Confirmation:

Settlement Currency:	USD
Settlement Method Election:	Applicable; <i>provided</i> that (i) Section 7.1 of the Equity Definitions is hereby amended by deleting the word “ <u>Physical</u> ” in the sixth line thereof and replacing it with the words “ <u>Net Share</u> ” and (ii) the Electing Party may make a settlement method election only if the Electing Party represents and warrants to Dealer in writing on the date it notifies Dealer of its election that, as of such date, the Electing Party is not aware of any material non-public information concerning Counterparty or the Shares and is electing the settlement method in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.
Electing Party:	Counterparty
Settlement Method Election Date:	The earlier of (i) the Scheduled Termination Date and (ii) the second Calculation Date immediately following the Accelerated Termination Date (in which case the election under Section 7.1 of the Equity Definitions shall be made no later than 10 minutes prior to the open of trading on the Exchange on such second Calculation Date), as the case may be.
Default Settlement Method:	Cash Settlement
Forward Cash Settlement Amount:	The Number of Shares to be Delivered <i>multiplied by</i> the Settlement Price.
Settlement Price:	The average of the VWAP Prices for the Calculation Dates in the Settlement Valuation Period, subject to Valuation Disruption as specified in the Master Confirmation.
Settlement Valuation Period:	A number of Calculation Dates selected by Dealer in its reasonable discretion, beginning on the Calculation Date immediately following the earlier of (i) the Scheduled Termination Date or (ii) the Calculation Date immediately following the Termination Date.
Cash Settlement:	If Cash Settlement is applicable, then Buyer shall pay to Seller the absolute value of the Forward Cash Settlement Amount on the Cash Settlement Payment Date.
Cash Settlement Payment Date:	The date one Settlement Cycle following the last day of the Settlement Valuation Period.

Net Share Settlement
Procedures:

If Net Share Settlement is applicable, Net Share Settlement shall be made in accordance with paragraphs 2 through 7 below.

2. Net Share Settlement shall be made by delivery on the Cash Settlement Payment Date of a number of Shares satisfying the conditions set forth in paragraph 3 below (the “Registered Settlement Shares”), or a number of Shares not satisfying such conditions (the “Unregistered Settlement Shares”), in either case with a value equal to the absolute value of the Forward Cash Settlement Amount, with such Shares’ value based on the value thereof to Dealer (which value shall, in the case of Unregistered Settlement Shares, take into account a commercially reasonable illiquidity discount), in each case as determined by the Calculation Agent.

3. Counterparty may only deliver Registered Settlement Shares pursuant to paragraph 2 above if:

(a) a registration statement covering public resale of the Registered Settlement Shares by Dealer (the “Registration Statement”) shall have been filed with the Securities and Exchange Commission under the Securities Act and been declared or otherwise become effective on or prior to the date of delivery, and no stop order shall be in effect with respect to the Registration Statement; a printed prospectus relating to the Registered Settlement Shares (including any prospectus supplement thereto, the “Prospectus”) shall have been delivered to Dealer, in such quantities as Dealer shall reasonably have requested, on or prior to the date of delivery;

(b) the form and content of the Registration Statement and the Prospectus (including, without limitation, any sections describing the plan of distribution) shall be satisfactory to Dealer;

(c) as of or prior to the date of delivery, Dealer and its agents shall have been afforded a reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities and the results of such investigation are satisfactory to Dealer, in its discretion; and

(d) as of the date of delivery, an agreement (the “Underwriting Agreement”) shall have been entered into with Dealer in connection with the public resale of the Registered Settlement Shares by Dealer substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance reasonably satisfactory to Dealer, which Underwriting Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating, without limitation, to the mutual indemnification of, and contribution in connection with the liability of, the parties and the provision of customary opinions, accountants’ comfort letters and lawyers’ negative assurance letters.

4. If Counterparty delivers Unregistered Settlement Shares pursuant to paragraph 2 above:

(a) all Unregistered Settlement Shares shall be delivered to Dealer (or any affiliate of Dealer designated by Dealer) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof;

(b) as of or prior to the date of delivery, Dealer and any potential purchaser of any such shares from Dealer (or any affiliate of Dealer designated by Dealer) identified by Dealer shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for similarly-sized private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them); *provided that*, prior to receiving or being granted access to any such information, any such potential purchaser may be required by Counterparty to enter into a customary non-disclosure agreement with Counterparty in respect of any such due diligence investigation;

(c) as of the date of delivery, Counterparty shall enter into an agreement (a "Private Placement Agreement") with Dealer (or any affiliate of Dealer designated by Dealer) in connection with the private placement of such shares by Counterparty to Dealer (or any such affiliate) and the private resale of such shares by Dealer (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to Dealer, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the mutual indemnification of, and contribution in connection with the liability of, the parties and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters, and shall provide for the payment by Counterparty of all reasonable fees and expenses in connection with such resale, including all reasonable fees and expenses of counsel for Dealer, and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

(d) in connection with the private placement of such shares by Counterparty to Dealer (or any such affiliate) and the private resale of such shares by Dealer (or any such affiliate), Counterparty shall, if so requested by Dealer, prepare, in cooperation with Dealer, a private placement memorandum in form and substance reasonably satisfactory to Dealer.

5. Dealer, itself or through an affiliate (the "Selling Agent") or any underwriter(s), will sell in a commercially reasonable manner all, or such lesser portion as may be required hereunder, of the Registered Settlement Shares or Unregistered Settlement Shares and any Makewhole Shares (as defined below) (together, the "Settlement Shares") delivered by Counterparty to Dealer pursuant to paragraph 6 below commencing on the Cash Settlement Payment Date and continuing until the date on which the aggregate Net Proceeds (as such term is defined below) of such sales, as determined by Dealer, is equal to the absolute value of the Forward Cash Settlement Amount (such date, the "Final Resale Date"). If the proceeds of any sale(s) made by Dealer, the Selling Agent or any underwriter(s), net of any reasonable fees and commissions (including, without limitation, underwriting or placement fees) customary for similar transactions under the circumstances at the time of the offering, together with reasonable carrying charges and expenses incurred in connection with the offer and sale of the Shares (including, but without limitation to, the covering of any over-allotment or short position (syndicate or otherwise)) (the "Net Proceeds") exceed the absolute value of the Forward Cash Settlement Amount, Dealer will refund, in USD (or, at Counterparty's election, Shares of equivalent value, as determined by the Calculation Agent), such excess to Counterparty on the date that is three (3) Currency Business Days following the Final Resale Date (or, in the case of such a refund in Shares, commercially reasonably promptly thereafter), and, if any portion of the Settlement Shares remains unsold, Dealer shall return to Counterparty on that date such unsold Shares.

6. If the Calculation Agent determines that the Net Proceeds received from the sale of the Registered Settlement Shares or Unregistered Settlement Shares or any Makewhole Shares, if any, pursuant to this paragraph 6 are less than the absolute value of the Forward Cash Settlement Amount (the amount in USD by which the Net Proceeds are less than the absolute value of the Forward Cash Settlement Amount being the "Shortfall" and the date on which such determination is made, the "Deficiency Determination Date"), Counterparty shall on the Calculation Date next succeeding the Deficiency Determination Date (the "Makewhole Notice Date") deliver to Dealer, through the Selling Agent, a notice of Counterparty's election that Counterparty shall either (i) pay an amount in cash equal to the Shortfall on the day that is one (1) Currency Business Day after the Makewhole Notice Date, or (ii) deliver additional Shares. If Counterparty elects to deliver to Dealer additional Shares, then Counterparty shall deliver additional Shares in compliance with the terms and conditions of paragraph 3 or paragraph 4 above, as the case may be (the "Makewhole Shares"), on the first Clearance System Business Day which is also a Calculation Date following the Makewhole Notice Date in such number as the Calculation Agent reasonably believes would have a market value on that Calculation Date equal to the Shortfall. Such Makewhole Shares shall be sold by Dealer in accordance with the provisions above; *provided* that if the sum of the Net Proceeds from the sale of the originally delivered Shares and the Net Proceeds from the sale of any Makewhole Shares is less than the absolute value of the Forward Cash Settlement Amount then Counterparty shall, at its election, either make such cash payment or deliver to Dealer further Makewhole Shares until such Shortfall has been reduced to zero.

7. Notwithstanding the foregoing, in no event shall the aggregate number of Settlement Shares and Makewhole Shares be greater than the Reserved Shares *minus* the amount of any Shares actually

delivered by Counterparty under any other Transaction(s) under this Master Confirmation (the result of such calculation, the "Capped Number"). Counterparty represents and warrants (which shall be deemed to be repeated on each day that a Transaction is outstanding) that the Capped Number is equal to or less than the number of Shares determined according to the following formula:

A - B

Where A = the number of authorized but unissued shares of the Counterparty that are not reserved for future issuance on the date of the determination of the Capped Number; and

B = the maximum number of Shares required to be delivered to third parties if Counterparty elected Net Share Settlement of all transactions in the Shares (other than Transactions in the Shares under this Master Confirmation) with all third parties that are then currently outstanding and unexercised.

"Reserved Shares" means, initially, 19,490,000 Shares. The Reserved Shares may be increased or decreased in a Supplemental Confirmation.

A-4

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 14, 2015

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-6200	20-2777218



Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, LLC (formerly DUKE ENERGY PROGRESS, INC.) (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	DUKE ENERGY INDIANA, INC. (an Indiana corporation) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-3274	DUKE ENERGY FLORIDA, LLC (formerly DUKE ENERGY FLORIDA, INC.) (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Conditions.

The information attached hereto as exhibit 99.1 provides supplemental financial information for Duke Energy Corporation.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Second Quarter 2015 Statistical Supplement

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, INC.**

Date: August 14, 2015

By: /s/ Brian D. Savoy
Name: Brian D. Savoy
Title: Senior Vice President, Chief Accounting Officer and Controller

EXHIBIT INDEX

Exhibit	Description
99.1	Second Quarter 2015 Statistical Supplement



2nd Quarter 2015 Statistical Supplement

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22 Operating Statistics (Duke Energy Indiana)

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(In millions)	Six Months Ended June 30, 2015						Duke Energy
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments		
Operating Revenues							
Regulated electric	\$ 10,613	\$ —	\$ —	\$ 2	\$ (68)		\$ 10,547
Nonregulated electric, natural gas and other	—	560	148	59	13		780
Regulated natural gas	330	—	—	—	(3)		327
Total operating revenues	10,943	560	148	61	(58)		11,654
Operating Expenses							
Fuel used in electric generation and purchased power - regulated	3,662	—	—	—	—		3,662
Fuel used in electric generation and purchased power - nonregulated	—	197	14	12	(1)		222
Cost of natural gas and other	110	28	—	—	(1)		137
Operation, maintenance and other	2,615	164	100	21	(52)		2,848
Depreciation and amortization	1,405	46	50	66	—		1,567
Property and other taxes	516	4	9	14	—		543
Total operating expenses	8,308	439	173	113	(54)		8,979
Gains (Loss) on Sales of Other Assets and Other, Net	9	(1)	6	13	—		27
Operating Income (Loss)	2,644	120	(19)	(39)	(4)		2,702
Other Income and Expenses	131	45	—	10	(4)		182
Interest Expense	549	45	22	194	(4)		806
Income (Loss) from Continuing Operations Before Income Taxes	2,226	120	(41)	(223)	(4)		2,078
Income Tax Expense (Benefit)^(a)	820	30	(9)	(143)	—		698
Income (Loss) from Continuing Operations	1,406	90	(32)	(80)	(4)		1,380
Less: Net Income Attributable to Noncontrolling Interest	—	2	—	5	—		7
Segment Income (Loss) / Net Expense	\$ 1,406	\$ 88	\$ (32)	\$ (85)	\$ (4)		\$ 1,373
Income from Discontinued Operations, Net of Tax^(b)							34
Net Income Attributable to Duke Energy Corporation							\$ 1,407

- (a) The amount for Commercial Portfolio includes state tax expense of \$41 million, resulting from changes to state apportionment factors due to the sale of the nonregulated Midwest generation business, that does not qualify for discontinued operations.
- (b) Includes the after-tax impact of \$53 million for the agreement in principle reached in a lawsuit related to the nonregulated Midwest generation business.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Six Months Ended June 30, 2014 ^(a)					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 10,758	\$ —	\$ —	\$ (1)	\$ (69)	\$ 10,688
Nonregulated electric, natural gas and other	—	746	145	55	8	954
Regulated natural gas	330	—	—	—	(1)	329
Total operating revenues	11,088	746	145	54	(62)	11,971
Operating Expenses						
Fuel used in electric generation and purchased power - regulated	3,808	—	—	—	—	3,808
Fuel used in electric generation and purchased power - nonregulated	—	222	19	23	(2)	262
Cost of natural gas and other	121	33	—	—	—	154
Operation, maintenance and other	2,506	175	100	119	(55)	2,845
Depreciation and amortization	1,365	50	46	56	—	1,517
Property and other taxes	645	5	9	2	—	661
Impairment charges ^(b)	1	—	94	(15)	—	80
Total operating expenses	8,446	485	268	185	(57)	9,327
Gains on Sales of Other Assets and Other, Net	1	5	—	1	—	7
Operating Income (Loss)	2,643	266	(123)	(130)	(5)	2,651
Other Income and Expenses	131	109	10	15	(12)	253
Interest Expense	545	46	27	201	(12)	807
Income (Loss) from Continuing Operations Before Income Taxes	2,229	329	(140)	(316)	(5)	2,097
Income Tax Expense (Benefit)	803	46	(87)	(140)	(1)	621
Income (Loss) from Continuing Operations	1,426	283	(53)	(176)	(4)	1,476
Less: Net Income Attributable to Noncontrolling Interest	—	7	—	1	—	8
Segment Income (Loss) / Net Expense	\$ 1,426	\$ 276	\$ (53)	\$ (177)	\$ (4)	\$ 1,468
Loss from Discontinued Operations, Net of Tax						(956)
Net Income Attributable to Duke Energy Corporation						\$ 512

(a) Reflects reclassifications due to the impact of discontinued operations.
(b) The impairment charge for Commercial Portfolio is related to OVEC.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	June 30, 2015					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 88	\$ 664	\$ 19	\$ 189	\$ —	\$ 960
Receivables, net	378	238	—	37	(3)	650
Restricted receivables of variable interest entities, net	2,013	—	13	20	—	2,046
Receivables from affiliated companies	105	120	1,260	12,620	(14,105)	—
Notes receivable from affiliated companies	526	—	—	204	(730)	—
Inventory	3,365	71	7	26	—	3,469
Regulatory assets	903	—	—	72	—	975
Other	598	35	180	720	(35)	1,498
Total current assets	7,976	1,128	1,479	13,888	(14,873)	9,598
Investments and Other Assets						
Investments in equity method unconsolidated affiliates	2	60	285	28	—	375
Investments and advances to (from) subsidiaries	54	(21)	(74)	40,126	(40,085)	—
Nuclear decommissioning trust funds	5,529	—	—	—	—	5,529
Goodwill	15,950	290	88	—	—	16,328
Other	2,033	406	81	1,195	(476)	3,239
Total investments and other assets	23,568	735	380	41,349	(40,561)	25,471
Property, Plant and Equipment						
Cost	99,221	3,098	3,139	1,667	—	107,125
Accumulated depreciation and amortization	(33,569)	(956)	(387)	(914)	—	(35,826)
Generation facilities to be retired, net	460	—	—	—	—	460
Net property, plant and equipment	66,112	2,142	2,752	753	—	71,759
Regulatory Assets and Deferred Debits						
Regulatory assets	11,101	—	—	463	—	11,564
Other	98	6	38	41	—	183
Total regulatory assets and deferred debits	11,199	6	38	504	—	11,747
Total Assets	108,855	4,011	4,649	56,494	(55,434)	118,575
Segment reclassifications, intercompany balances and other	(716)	(98)	(1,187)	(53,614)	55,615	—
Reportable Segment Assets	\$ 108,139	\$ 3,913	\$ 3,462	\$ 2,880	\$ 181	\$ 118,575

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	June 30, 2015					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,538	\$ 41	\$ 31	\$ 310	\$ —	\$ 1,920
Accounts payable to affiliated companies	13,009	7	27	962	(14,005)	—
Notes payable to affiliated companies	204	—	—	526	(730)	—
Notes payable and commercial paper	—	—	—	2,162	—	2,162
Taxes accrued	589	1,115	(64)	(1,090)	—	550
Interest accrued	303	21	—	95	—	419
Current maturities of long-term debt	1,945	31	73	325	—	2,374
Regulatory liabilities	234	—	—	11	—	245
Other	1,428	173	32	482	(139)	1,976
Total current liabilities	19,250	1,388	99	3,783	(14,874)	9,646
Long-Term Debt	24,774	969	917	10,136	(1)	36,795
Notes Payable to Affiliated Companies	475	—	—	—	(475)	—
Deferred Credits and Other Liabilities						
Deferred income taxes	14,643	(576)	367	(769)	(1)	13,664
Investment tax credits	420	—	—	—	—	420
Accrued pension and other post-retirement benefit costs	738	1	—	413	—	1,152
Asset retirement obligations	9,437	3	48	2	—	9,490
Regulatory liabilities	6,159	—	—	44	—	6,203
Other	1,066	73	57	392	—	1,588
Total deferred credits and other liabilities	32,463	(499)	472	82	(1)	32,517
Equity						
Total Duke Energy Corporation stockholders' equity	31,893	2,111	3,161	42,509	(40,094)	39,580
Noncontrolling interests	—	42	—	(16)	11	37
Total equity	31,893	2,153	3,161	42,493	(40,083)	39,617
Total Liabilities and Equity	108,855	4,011	4,649	56,494	(55,434)	118,575
Segment reclassifications, intercompany balances and other	(716)	(98)	(1,187)	(53,614)	55,615	—
Reportable Segment Liabilities and Equity	\$ 108,139	\$ 3,913	\$ 3,462	\$ 2,880	\$ 181	\$ 118,575

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2015							Regulated Utilities
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Eliminations / Adjustments		
Operating Revenues								
Regulated electric	\$ 3,608	\$ 2,642	\$ 2,367	\$ 638	\$ 1,474	\$ (116)	\$	10,613
Regulated natural gas	—	—	—	330	—	—	—	330
Total operating revenues	3,608	2,642	2,367	968	1,474	(116)		10,943
Operating Expenses								
Fuel used in electric generation and purchased power - regulated	1,005	1,024	1,011	222	529	(129)		3,662
Cost of natural gas	—	—	—	109	—	1		110
Operation, maintenance and other	929	724	381	222	355	4		2,615
Depreciation and amortization	510	315	256	115	211	(2)		1,405
Property and other taxes	137	67	168	127	18	(1)		516
Total operating expenses	2,581	2,130	1,816	795	1,113	(127)		8,308
Gains on Sales of Other Assets and Other, Net	—	1	—	8	1	(1)		9
Operating Income	1,027	513	551	181	362	10		2,644
Other Income and Expenses ^(a)	83	35	10	(2)	9	(4)		131
Interest Expense	208	116	99	38	88	—		549
Income from Continuing Operations Before Income Taxes								
	902	432	462	141	283	6		2,226
Income Tax Expense	327	156	178	52	103	4		820
Segment Income	\$ 575	\$ 276	\$ 284	\$ 89	\$ 180	\$ 2		\$ 1,406

(a) Includes an equity component of allowance for funds used during construction of \$48 million for Duke Energy Carolinas, \$23 million for Duke Energy Progress, \$2 million for Duke Energy Florida, \$2 million for Duke Energy Ohio, and \$6 million for Duke Energy Indiana.

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(In millions)	Six Months Ended June 30, 2014 ^(a)						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Operating Revenues							
Regulated electric	\$ 3,755	\$ 2,615	\$ 2,341	\$ 647	\$ 1,593	\$ (193)	\$ 10,758
Regulated natural gas	—	—	—	330	—	—	330
Total operating revenues	3,755	2,615	2,341	977	1,593	(193)	11,088
Operating Expenses							
Fuel used in electric generation and purchased power - regulated	1,146	1,019	993	231	626	(207)	3,808
Cost of natural gas	—	—	—	121	—	—	121
Operation, maintenance and other	891	699	396	202	314	4	2,506
Depreciation and amortization	490	286	271	111	205	2	1,365
Property and other taxes	204	121	167	109	44	—	645
Impairment charges	—	—	1	—	—	—	1
Total operating expenses	2,731	2,125	1,828	774	1,189	(201)	8,446
Gains on Sales of Other Assets and Other, Net	—	1	—	1	—	(1)	1
Operating Income	1,024	491	513	204	404	7	2,643
Other Income and Expenses^(b)	93	16	11	5	11	(5)	131
Interest Expense	203	115	99	41	87	—	545
Income from Continuing Operations Before Income Taxes	914	392	425	168	328	2	2,229
Income Tax Expense	310	145	164	80	121	3	803
Segment Income	\$ 604	\$ 247	\$ 261	\$ 108	\$ 207	\$ (1)	\$ 1,426

(a) Reflects reclassifications due to the impact of discontinued operations.

(b) Contains equity component of allowance for funds used during construction of \$44 million for Duke Energy Carolinas, \$9 million for Duke Energy Progress, \$2 million for Duke Energy Ohio, and \$6 million for Duke Energy Indiana.

REGULATED UTILITIES
Consolidating Balance Sheets - Assets
(Unaudited)

	June 30, 2015						
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Eliminations / Adjustments ^(a)	Regulated Utilities
Current Assets							
Cash and cash equivalents	\$ 28	\$ 13	\$ 13	\$ 22	\$ 12	\$ —	\$ 88
Receivables, net	76	49	85	80	86	2	378
Restricted receivables of variable interest entities, net	692	469	385	—	—	467	2,013
Receivables from affiliated companies	106	4	93	65	53	(216)	105
Notes receivable from affiliated companies	700	—	—	15	25	(214)	526
Inventory	1,154	914	615	102	579	1	3,365
Regulatory assets	343	316	119	21	91	13	903
Other	52	49	300	50	125	22	598
Total current assets	3,151	1,814	1,610	355	971	75	7,976
Investments and Other Assets							
Investments in equity method unconsolidated affiliates	—	—	1	—	—	1	2
Investments and advances to subsidiaries	17	34	2	—	—	1	54
Nuclear decommissioning trust funds	3,094	1,734	701	—	—	—	5,529
Goodwill	—	—	—	920	—	15,030	15,950
Other	1,041	464	282	27	247	(28)	2,033
Total investments and other assets	4,152	2,232	986	947	247	15,004	23,568
Property, Plant and Equipment							
Cost	38,085	24,093	14,854	7,613	13,667	909	99,221
Accumulated depreciation and amortization	(13,120)	(8,982)	(4,625)	(2,496)	(4,344)	(2)	(33,569)
Generation facilities to be retired, net	—	460	—	—	—	—	460
Net property, plant and equipment	24,965	15,571	10,229	5,117	9,323	907	66,112
Regulatory Assets and Deferred Debits							
Regulatory assets	2,631	3,077	2,694	514	707	1,478	11,101
Other	44	33	37	8	23	(47)	98
Total regulatory assets and deferred debits	2,675	3,110	2,731	522	730	1,431	11,199
Total Assets	34,943	22,727	15,556	6,941	11,271	17,417	108,855
Segment reclassifications, intercompany balances and other	(120)	(468)	(74)	—	(1)	(53)	(716)
Reportable Segment Assets	\$ 34,823	\$ 22,259	\$ 15,482	\$ 6,941	\$ 11,270	\$ 17,364	\$ 108,139

(a) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

REGULATED UTILITIES
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	June 30, 2015						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Eliminations / Adjustments ^(a)	Regulated Utilities
Current Liabilities							
Accounts payable	\$ 494	\$ 342	\$ 346	\$ 189	\$ 165	\$ 2	\$ 1,538
Accounts payable to affiliated companies	139	180	72	59	56	12,503	13,009
Notes payable to affiliated companies	—	192	221	5	—	(214)	204
Taxes accrued	228	115	133	76	34	3	589
Interest accrued	104	78	45	18	58	—	303
Current maturities of long-term debt	506	402	562	56	330	89	1,945
Regulatory liabilities	31	74	48	24	57	—	234
Other	379	349	543	67	90	—	1,428
Total current liabilities	1,881	1,732	1,970	494	790	12,383	19,250
Long-Term Debt	8,079	5,255	4,293	1,524	3,311	2,312	24,774
Long-Term Debt Payable to Affiliated Companies	300	—	—	25	150	—	475
Deferred Credits and Other Liabilities							
Deferred income taxes	6,033	3,004	2,519	1,353	1,696	38	14,643
Investment tax credits	201	75	—	4	138	2	420
Accrued pension and other post-retirement benefit costs	109	281	252	54	82	(40)	738
Asset retirement obligations	3,604	4,262	733	143	453	242	9,437
Regulatory liabilities	2,738	1,891	494	257	776	3	6,159
Other	617	92	145	162	59	(9)	1,066
Total deferred credits and other liabilities	13,302	9,605	4,143	1,973	3,204	236	32,463
Equity	11,381	6,135	5,150	2,925	3,816	2,486	31,893
Total Liabilities and Equity	34,943	22,727	15,556	6,941	11,271	17,417	108,855
Segment reclassifications, intercompany balances and other	(120)	(468)	(74)	—	(1)	(53)	(716)
Reportable Segment Liabilities and Equity	\$ 34,823	\$ 22,259	\$ 15,482	\$ 6,941	\$ 11,270	\$ 17,364	\$ 108,139

(a) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

REGULATED UTILITIES
Operating Statistics (Regulated Utilities)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Sources of Electric Energy (GWh)		
Generated - net output ^(a)		
Coal	38,924	47,145
Nuclear	34,111	33,279
Hydro	934	1,324
Oil and natural gas	29,521	23,466
Renewable energy	7	7
Total generation ^(b)	103,497	105,221
Purchased power and net interchange ^(c)	16,307	13,809
Total sources of energy	119,804	119,030
Less: Line loss and company usage	5,938	5,652
Total GWh Sources	113,866	113,378
Electric Energy Sales (GWh) ^(d)		
Residential	42,019	42,104
General service	37,077	36,872
Industrial	25,369	25,136
Other energy and wholesale	18,402	18,824
Change in unbilled	1,332	580
Total GWh Sales	124,199	123,516
Owned MW Capacity ^(e)		
Summer	49,576	49,452
Winter	52,831	52,790
Nuclear Capacity Factor (%) ^(e)	93	91

- (a) Statistics reflect Duke Energy's ownership share of jointly owned stations.
- (b) Generation by source is reported net of auxiliary power.
- (c) Purchased power includes renewable energy purchases.
- (d) Represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
- (e) Statistics reflect 100% of jointly owned stations.

Note: Total GWh Sources will not equal Total GWh Sales. Sources include Duke Energy Kentucky's regulated generation for all periods. Sales include Duke Energy Ohio's and its subsidiary Duke Energy Kentucky's retail sales. Ohio retail sales are fulfilled through auction purchases under the current ESP.

REGULATED UTILITIES
Operating Statistics (Regulated Utilities)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Revenues from Generation, Transmission and Distribution of Electricity (In millions)		
Residential	\$ 4,597	\$ 4,592
General service	3,023	3,071
Industrial	1,504	1,517
Other energy and wholesale ^(a)	1,191	1,173
Change in unbilled	54	37
Total Revenues	\$ 10,369	\$ 10,390
Average Number of Customers (in thousands)		
Residential	6,345	6,266
General service	950	941
Industrial	18	18
Other energy and wholesale	23	22
Total Average Number of Customers	7,336	7,247

(a) Net of Joint Dispatch Agreement intercompany sales.

REGULATED UTILITIES
Operating Statistics (Duke Energy Carolinas)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Sources of Electric Energy (GWh)		
Generated - net output ^(a)		
Coal	13,530	17,621
Nuclear	23,119	21,512
Hydro	476	758
Oil and natural gas	4,991	3,676
Renewable energy	7	7
Total generation ^(b)	42,123	43,574
Purchased power and net interchange ^(c)	4,257	3,533
Total sources of energy	46,380	47,107
Less: Line loss and company usage	2,606	2,578
Total GWh Sources	43,774	44,529
Electric Energy Sales (GWh) ^(d)		
Residential	14,232	14,436
General service	13,801	13,734
Industrial	10,689	10,381
Other energy and wholesale	4,698	5,793
Change in unbilled	354	185
Total GWh Sales	43,774	44,529
Owned MW Capacity ^(e)		
Summer	19,645	19,770
Winter	20,357	20,496
Nuclear Capacity Factor (%) ^(e)	98	92

- (a) Statistics reflect Duke Energy Carolinas' ownership share of jointly owned stations.
- (b) Generation by source is reported net of auxiliary power.
- (c) Purchased power includes renewable energy purchases.
- (d) Represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
- (e) Statistics reflect 100% of jointly owned stations.

REGULATED UTILITIES
Operating Statistics (Duke Energy Carolinas)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Revenues from Generation, Transmission and Distribution of Electricity (in millions)		
Residential	\$ 1,506	\$ 1,518
General service	1,071	1,090
Industrial	610	587
Other energy and wholesale	293	360
Change in unbilled	31	17
Total Revenues	\$ 3,511	\$ 3,572
Average Number of Customers (in thousands)		
Residential	2,111	2,083
General service	344	342
Industrial	6	6
Other energy and wholesale	15	14
Total Average Number of Customers	2,476	2,445

REGULATED UTILITIES
Operating Statistics (Duke Energy Progress)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Sources of Electric Energy (GWh)		
Generated - net output ^(a)		
Coal	7,344	8,252
Nuclear	10,992	11,767
Hydro	334	451
Oil and natural gas	11,326	8,221
Total generation ^(b)	29,996	28,691
Purchased power and net interchange ^(c)	3,180	3,227
Total sources of energy	33,176	31,918
Less: Line loss and company usage	1,459	1,064
Total GWh Sources	31,717	30,854
Electric Energy Sales (GWh) ^(d)		
Residential	9,440	9,539
General service	7,437	7,410
Industrial	5,002	4,997
Other energy and wholesale	9,709	8,935
Change in unbilled	129	(27)
Total GWh Sales	31,717	30,854
Owned MW Capacity ^(e)		
Summer	12,222	12,221
Winter	13,319	13,334
Nuclear Capacity Factor (%) ^(e)	83	89

- (a) Statistics reflect Duke Energy Progress' ownership share of jointly owned stations.
- (b) Generation by source is reported net of auxiliary power.
- (c) Purchased power includes renewable energy purchases.
- (d) Represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
- (e) Statistics reflect 100% of jointly owned stations.

REGULATED UTILITIES
Operating Statistics (Duke Energy Progress)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Revenues from Generation, Transmission and Distribution of Electricity (in millions)		
Residential	\$ 991	\$ 979
General service	643	635
Industrial	323	325
Other energy and wholesale	595	595
Change in unbilled	8	4
Total Revenues	\$ 2,560	\$ 2,538
Average Number of Customers (in thousands)		
Residential	1,270	1,253
General service	225	222
Industrial	4	4
Other energy and wholesale	2	2
Total Average Number of Customers	1,501	1,481

REGULATED UTILITIES
Operating Statistics (Duke Energy Florida)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Sources of Electric Energy (GWh)		
Generated - net output ^(a)		
Coal	5,197	5,946
Oil and natural gas	11,913	11,122
Total generation ^(b)	17,110	17,068
Purchased power and net interchange ^(c)	3,294	2,534
Total sources of energy	20,404	19,602
Less: Line loss and company usage	1,129	1,101
Total GWh Sources	19,275	18,501
Electric Energy Sales (GWh) ^(d)		
Residential	9,048	8,447
General service	7,092	6,950
Industrial	1,581	1,604
Other energy and wholesale	761	769
Change in unbilled	793	731
Total GWh Sales	19,275	18,501
Owned MW Capacity ^(a)		
Summer	9,154	8,929
Winter	10,120	9,948

- (a) Statistics reflect Duke Energy Florida's ownership share of jointly owned stations.
(b) Generation by source is reported net of auxiliary power.
(c) Purchased power includes renewable energy purchases.
(d) Represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

REGULATED UTILITIES
Operating Statistics (Duke Energy Florida)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Revenues from Generation, Transmission and Distribution of Electricity (in millions)		
Residential	\$ 1,214	\$ 1,169
General service	727	739
Industrial	142	149
Other energy and wholesale	241	224
Change in unbilled	24	43
Total Revenues	\$ 2,348	\$ 2,324
Average Number of Customers (in thousands)		
Residential	1,519	1,495
General service	193	191
Industrial	2	2
Other energy and wholesale	2	2
Total Average Number of Customers	1,716	1,690

REGULATED UTILITIES
Operating Statistics (Duke Energy Ohio - Electric)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Sources of Electric Energy (GWh)		
Generated - net output ^(a)		
Coal	2,388	1,072
Natural gas	30	16
Total generation ^(b)	2,418	1,088
Purchased power and net interchange ^(c)	527	1,289
Total sources of energy	2,945	2,377
Less: Line loss and company usage	278	212
Total GWh Sources	2,667	2,165
Electric Energy Sales (GWh) ^(d)		
Residential	4,492	4,592
General service	4,678	4,671
Industrial	2,927	2,930
Other energy and wholesale	854	192
Change in unbilled	49	(82)
Total GWh Sales	13,000	12,303
Owned MW Capacity ^(a)		
Summer	1,062	1,039
Winter	1,164	1,141

- (a) Statistics reflect Duke Energy Ohio's ownership share of jointly owned stations.
- (b) Generation by source is reported net of auxiliary power.
- (c) Purchased power includes renewable energy purchases.
- (d) Represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

Note: Total GWh Sources will not equal Total GWh Sales. Sources include only Duke Energy Kentucky's regulated generation for all periods. Sales include Duke Energy Ohio's and its subsidiary Duke Energy Kentucky's retail sales. Ohio retail sales are fulfilled through auction purchases under the current ESP.

REGULATED UTILITIES
Operating Statistics (Duke Energy Ohio - Electric)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Revenues from Generation, Transmission and Distribution of Electricity (in millions)		
Residential	\$ 354	\$ 356
General service	213	217
Industrial	56	55
Other energy and wholesale	22	15
Change in unbilled	6	(7)
Total Revenues	\$ 651	\$ 636
Average Number of Electric Customers (In thousands)		
Residential	747	742
General service	87	86
Industrial	3	3
Other energy and wholesale	3	3
Total Average Number of Customers	840	834

REGULATED UTILITIES
Operating Statistics (Duke Energy Ohio - Natural Gas)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
MCF Sales ^(a)		
Residential	27,231,220	29,534,496
General service	16,625,080	17,624,423
Industrial	4,411,288	4,321,235
Other energy and wholesale	10,754,865	11,419,293
Change in unbilled	(3,245,000)	(4,902,000)
Total MCF Sales	55,777,453	57,997,447
Revenues from Distribution of Natural Gas (in millions)		
Residential	\$ 227	\$ 227
General service	96	95
Industrial	14	13
Other energy and wholesale	11	10
Change in unbilled	(14)	(19)
Total Revenues	\$ 334	\$ 326
Average Number of Natural Gas Customers (in thousands)		
Residential	477	475
General service	44	44
Industrial	2	2
Total Average Number of Customers	523	521

(a) Represents non-weather normalized billed sales, with gas delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

REGULATED UTILITIES
Operating Statistics (Duke Energy Indiana)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Sources of Electric Energy (GWh)		
Generated - net output ^(a)		
Coal	10,465	14,254
Hydro	124	115
Natural gas	1,261	431
Total generation ^(b)	11,850	14,800
Purchased power and net interchange ^(c)	5,049	3,226
Total sources of energy	16,899	18,026
Less: Line loss and company usage	466	697
Total GWh Sources	16,433	17,329
Electric Energy Sales (GWh) ^(d)		
Residential	4,807	5,090
General service	4,069	4,107
Industrial	5,170	5,224
Other energy and wholesale	2,380	3,135
Change in unbilled	7	(227)
Total GWh Sales	16,433	17,329
Owned MW Capacity ^(a)		
Summer	7,493	7,493
Winter	7,871	7,871

- (a) Statistics reflect Duke Energy Indiana's ownership share of jointly owned stations.
(b) Generation by source is reported net of auxiliary power.
(c) Purchased power includes renewable energy purchases.
(d) Represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e. unbilled sales) reflected as a single amount and not allocated to the respective retail classes.

REGULATED UTILITIES
Operating Statistics (Duke Energy Indiana)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Revenues from Generation, Transmission and Distribution of Electricity (in millions)		
Residential	\$ 532	\$ 570
General service	369	390
Industrial	373	401
Other energy and wholesale	154	171
Change in unbilled	(15)	(20)
Total Revenues	\$ 1,413	\$ 1,512
Average Number of Customers (in thousands)		
Residential	698	693
General service	101	100
Industrial	3	3
Other energy and wholesale	1	1
Total Average Number of Customers	803	797

DUKE ENERGY OHIO SUPPLEMENT
Consolidating Statements of Operations
(Unaudited)

(in millions)	Six Months Ended June 30, 2015				
	Regulated Utilities		Commercial Portfolio	Other	Duke Energy Ohio
	Ohio Transmission & Distribution	Duke Energy Kentucky			
Operating Revenues					
Regulated electric	\$ 454	\$ 184	\$ —	\$ —	\$ 638
Nonregulated electric, natural gas and other	—	—	14	9	23
Regulated natural gas	261	69	—	—	330
Total operating revenues	715	253	14	9	991
Operating Expenses					
Fuel used in electric generation and purchased power - regulated	144	78	—	—	222
Fuel used in electric generation and purchased power - nonregulated	—	—	14	12	26
Cost of natural gas	77	32	—	—	109
Operation, maintenance and other	158	64	12	12	246
Depreciation and amortization	90	25	—	—	115
Property and other taxes	120	7	1	(1)	127
Total operating expenses	589	206	27	23	845
Gain on Sales of Other Assets and Other, net	7	1	—	—	8
Operating Income (Loss)	133	48	(13)	(14)	154
Other Income and Expenses	(2)	—	—	—	(2)
Interest Expense	31	7	—	—	38
Income (Loss) Before Income Taxes	100	41	(13)	(14)	114
Income Tax Expense (Benefit)	37	15	(4)	(6)	42
Segment Income (Loss) / Net Expense	\$ 63	\$ 26	\$ (9)	\$ (8)	\$ 72
Income from Discontinued Operations, Net of Tax ^(a)					25
Net Income					\$ 97

(a) Includes the after-tax impact of \$53 million for the agreement in principle reached in a lawsuit related to the nonregulated Midwest generation business.

DUKE ENERGY OHIO SUPPLEMENT
Consolidating Statements of Operations
(Unaudited)

(in millions)	Six Months Ended June 30, 2014 ^(a)				
	Regulated Utilities		Commercial Portfolio	Other	Duke Energy Ohio
	Ohio Transmission & Distribution	Duke Energy Kentucky			
Operating Revenues					
Regulated electric	\$ 464	\$ 183	\$ —	\$ (1)	\$ 646
Nonregulated electric, natural gas and other	—	—	11	—	11
Regulated natural gas	252	78	—	—	330
Total operating revenues	716	261	11	(1)	987
Operating Expenses					
Fuel used in electric generation and purchased power - regulated	139	92	—	—	231
Fuel used in electric generation and purchased power - nonregulated	—	—	19	—	19
Cost of natural gas	81	40	—	—	121
Operation, maintenance and other	135	67	33	9	244
Depreciation and amortization	89	22	2	—	113
Property and other taxes	103	6	2	1	112
Impairment charges ^(b)	—	—	94	—	94
Total operating expenses	547	227	150	10	934
Gain on Sales of Other Assets and Other, net	1	—	—	(1)	—
Operating Income (Loss)	170	34	(139)	(12)	53
Other Income and Expenses	4	1	—	1	6
Interest Expense	33	8	—	(1)	40
Income (Loss) before Income Taxes	141	27	(139)	(10)	19
Income Tax Expense (Benefit)	51	9	(51)	(3)	6
Segment Income (Loss) / Net Expense	\$ 90	\$ 18	\$ (88)	\$ (7)	\$ 13
Loss from Discontinued Operations, Net of Tax					(1,010)
Net Loss					\$ (997)


- (a) Reflects reclassifications due to the impact of discontinued operations.
(b) The impairment charge for Commercial Portfolio is related to OVEC.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 21, 2015**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	 DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-6200	20-2777218
1-232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 (704) 382-3853	31-0240030

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On October 21, 2015, Duke Energy Corporation (the "Corporation") and Duke Energy Ohio, Inc. ("Duke Energy Ohio") announced that they had entered into a settlement agreement in which the Corporation agreed to pay approximately \$81 million (the "Settlement Amount") out of shareholder funds to end a class action lawsuit, *Anthony Williams et al. v. Duke Energy Corp. et al.*, in which the plaintiffs asserted that contracts between Duke Energy Retail Sales, LLC, a former subsidiary of the Corporation, and certain large industrial and business customers of the Corporation violated state and federal antitrust and other laws by providing financial benefits through those contracts that other customers did not receive. The Corporation and Duke Energy Ohio denied the allegations and maintained that they had complied with all state and federal laws but agreed to settle the case to avoid the costs and uncertainties of continued litigation.

Under the agreement, the Settlement Amount would be allocated as follows:

- Up to \$25 million to Duke Energy Ohio's residential customers who were customers at any time during the period beginning January 1, 2005, and ending December 31, 2008;
- Up to \$25 million to Duke Energy Ohio's non-residential customers (such as businesses and local governments) who were customers at any time during the period beginning January 1, 2005, and ending December 31, 2008;
- \$8 million to fund energy-related programs to benefit Duke Energy Ohio's customers who were customers at any time during the period beginning January 1, 2005, and ending December 31, 2008; and
- Remaining funds to pay plaintiffs' legal fees, settlement fund distribution costs and other expenses.

The Corporation previously recognized cumulative pre-tax charges of \$81 million to account for the settlement of this matter. As a result, no additional charges will be recognized due to the final settlement provisions.

The settlement agreement is subject to approval by the U.S. District Court for the Southern District of Ohio.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DUKE ENERGY CORPORATION

Date: October 21, 2015

By: /s/ Julia S. Janson
Name: Julia S. Janson
Title: Executive Vice President, Chief Legal Officer and
Corporate Secretary

DUKE ENERGY OHIO, INC.

Date: October 21, 2015

By: /s/ Julia S. Janson
Name: Julia S. Janson
Title: Executive Vice President and Chief Legal Officer

**UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION**
 Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
 Pursuant to Section 13 or 15(d) of the
 Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 15, 2016

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-6200	20-2777218



Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	DUKE ENERGY INDIANA, LLC. (Formerly DUKE ENERGY INDIANA, INC.) (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-3274	DUKE ENERGY FLORIDA, LLC (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Conditions.

The information attached hereto as exhibit 99.1 provides supplemental financial information for Duke Energy Corporation.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Fourth Quarter 2015 Statistical Supplement

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC**

Date: March 15, 2016

By: /s/ Brian D. Savoy
Name: Brian D. Savoy
Title: Senior Vice President, Chief Accounting Officer and Controller

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Fourth Quarter 2015 Statistical Supplement



4th Quarter 2015 Statistical Supplement

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This Statistical Supplement should be read in conjunction with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2015.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(In millions)	Twelve Months Ended December 31, 2015						Duke Energy
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments		
Operating Revenues							
Regulated electric	\$ 21,521	\$ —	\$ —	\$ 4	\$ (146)	\$ 21,379	
Nonregulated electric and other	—	1,088	301	119	36	1,544	
Regulated natural gas	541	—	—	—	(5)	536	
Total operating revenues	22,062	1,088	301	123	(115)	23,459	
Operating Expenses							
Fuel used in electric generation and purchased power - regulated	7,308	—	—	—	—	7,308	
Fuel used in electric generation and purchased power - nonregulated	—	306	14	34	—	354	
Cost of natural gas	141	53	—	—	1	195	
Operation, maintenance and other	5,260	333	216	173	(111)	5,871	
Depreciation and amortization	2,814	92	104	134	—	3,144	
Property and other taxes	1,074	7	19	35	—	1,135	
Impairment charges ^(a)	101	14	—	6	(1)	120	
Total operating expenses	16,698	805	353	382	(111)	18,127	
Gains on Sales of Other Assets and Other, net	11	6	1	17	—	35	
Operating Income (Loss)	5,375	289	(51)	(242)	(4)	5,367	
Other Income and Expenses, net^(b)	262	101	6	20	(6)	383	
Interest Expense	1,097	85	44	393	(6)	1,613	
Income (Loss) from Continuing Operations Before Income Taxes	4,540	305	(89)	(615)	(4)	4,137	
Income Tax Expense (Benefit) from Continuing Operations^(c)	1,647	74	(92)	(303)	—	1,326	
Income (Loss) from Continuing Operations	2,893	231	3	(312)	(4)	2,811	
Less: Net Income (Loss) Attributable to Noncontrolling Interest	—	6	(1)	10	—	15	
Segment Income / Other Net Expense	\$ 2,893	\$ 225	\$ 4	\$ (322)	\$ (4)	\$ 2,796	
Income from Discontinued Operations, net of tax^(d)						20	
Net Income Attributable to Duke Energy Corporation						\$ 2,816	
Segment Income / Other Net Expense	\$ 2,893	\$ 225	\$ 4	\$ (322)	\$ (4)	\$ 2,796	
Special Items, Economic Hedges, and Discontinued Operations	79	—	136	137	4	356	
Adjusted Earnings^(e)	\$ 2,972	\$ 225	\$ 140	\$ (185)	\$ —	\$ 3,152	

- (a) Regulated Utilities includes a pretax charge of \$88 million related to the Edwardsport settlement.
- (b) International Energy includes Equity in earnings of unconsolidated affiliates of \$74 million, net of tax.
- (c) The amount for Commercial Portfolio includes a tax charge of \$41 million resulting from the completion of the sale of the nonregulated Midwest generation business.
- (d) Includes the after-tax charge of \$53 million for the litigation reserve related to a settlement agreement reached in a lawsuit related to the nonregulated Midwest generation business.
- (e) See page 15 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2014					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 21,693	\$ —	\$ —	\$ (2)	\$ (141)	\$ 21,550
Nonregulated electric and other	—	1,417	255	107	23	1,802
Regulated natural gas	578	—	—	—	(5)	573
Total operating revenues	22,271	1,417	255	105	(123)	23,925
Operating Expenses						
Fuel used in electric generation and purchased power - regulated	7,686	—	—	—	—	7,686
Fuel used in electric generation and purchased power - nonregulated	—	486	24	26	(3)	533
Cost of natural gas	185	63	—	—	—	248
Operation, maintenance and other ^(a)	5,205	352	212	197	(110)	5,856
Depreciation and amortization	2,759	97	92	118	—	3,066
Property and other taxes	1,189	9	19	(4)	—	1,213
Impairment charges ^(b)	2	—	94	(15)	—	81
Total operating expenses	17,026	1,007	441	322	(113)	18,683
Gains on Sales of Other Assets and Other, net	4	6	—	6	—	16
Operating Income (Loss)	5,249	416	(186)	(211)	(10)	5,258
Other Income and Expenses, net^(c)	267	190	18	45	(22)	498
Interest Expense	1,093	93	58	400	(22)	1,622
Income (Loss) from Continuing Operations Before Income Taxes	4,423	513	(226)	(566)	(10)	4,134
Income Tax Expense (Benefit) from Continuing Operations^(d)	1,628	449	(171)	(237)	—	1,669
Income (Loss) from Continuing Operations	2,795	64	(55)	(329)	(10)	2,465
Less: Net Income Attributable to Noncontrolling Interest	—	9	—	5	—	14
Segment Income (Loss) / Other Net Expense	\$ 2,795	\$ 55	\$ (55)	\$ (334)	\$ (10)	\$ 2,451
Loss from Discontinued Operations, Net of tax						(568)
Net Income Attributable to Duke Energy Corporation						\$ 1,883
Segment Income (Loss) / Other Net Expense	\$ 2,795	\$ 55	\$ (55)	\$ (334)	\$ (10)	\$ 2,451
Special Items, Economic Hedges, and Discontinued Operations	102	373	164	118	10	767
Adjusted Earnings^(e)	\$ 2,897	\$ 428	\$ 109	\$ (216)	\$ —	\$ 3,218

- (a) Regulated Utilities includes a litigation reserve of \$102 million related to the federal grand jury investigation of the February 2014 Dan River coal ash spill and ash basin operations at other North Carolina coal plants.
- (b) The amount for Commercial Portfolio includes an impairment taken related to OVEC.
- (c) International Energy includes Equity in earnings of unconsolidated affiliates of \$120 million, net of tax.
- (d) International Energy includes a tax adjustment of \$373 million related to a dividend declaration of historical undistributed earnings.
- (e) See page 16 for a detailed reconciliation of Segment Income (Loss) / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(In millions)	December 31, 2015					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 67	\$ 534	\$ 18	\$ 238	\$ —	\$ 857
Receivables, net	453	197	5	48	—	703
Restricted receivables of variable interest entities, net	1,708	—	20	20	(4,520)	1,748
Receivables from affiliated companies	117	—	527	3,876	(4,520)	—
Notes receivable from affiliated companies	103	—	—	1,132	(1,235)	—
Inventory	3,703	65	18	24	—	3,810
Regulatory assets	795	—	—	82	—	877
Other	383	51	118	(225)	—	327
Total current assets	7,329	847	706	5,195	(5,755)	8,322
Investments and Other Assets						
Investments in equity method unconsolidated affiliates	2	39	433	25	—	499
Investments and advances (from) to subsidiaries	(53)	(23)	(63)	49,810	(49,671)	—
Nuclear decommissioning trust funds	5,825	—	—	—	—	5,825
Goodwill	15,950	270	122	—	1	16,343
Other	1,970	185	124	1,237	(474)	3,042
Total investments and other assets	23,694	471	616	51,072	(50,144)	25,709
Property, Plant and Equipment						
Cost	104,684	2,860	3,591	1,691	—	112,826
Accumulated depreciation and amortization	(35,374)	(930)	(439)	(922)	—	(37,665)
Generation facilities to be retired, net	548	—	—	—	—	548
Net property, plant and equipment	69,858	1,930	3,152	769	—	75,709
Regulatory Assets and Deferred Debits						
Regulatory assets	10,834	—	—	539	—	11,373
Other	13	—	—	30	—	43
Total regulatory assets and deferred debits	10,847	—	—	569	—	11,416
Total Assets	111,728	3,248	4,474	57,605	(55,899)	121,156
Segment reclassifications, intercompany balances and other	(166)	23	(464)	(55,480)	56,087	—
Reportable Segment Assets	\$ 111,562	\$ 3,271	\$ 4,010	\$ 2,125	\$ 188	\$ 121,156

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	December 31, 2015					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,887	\$ 51	\$ 106	\$ 376	\$ —	\$ 2,400
Accounts payable to affiliated companies	3,255	971	77	119	(4,422)	—
Notes payable to affiliated companies	981	—	—	103	(1,084)	—
Notes payable and commercial paper	—	—	—	3,633	—	3,633
Taxes accrued	419	66	(212)	75	—	348
Interest accrued	307	19	—	104	—	430
Current maturities of long-term debt	1,101	48	108	817	—	2,074
Regulatory liabilities	400	—	—	—	—	400
Other	1,552	109	39	515	(100)	2,115
Total current liabilities	9,882	1,264	118	5,742	(5,606)	11,400
Long-Term Debt	25,152	653	968	10,722	—	37,495
Long-Term Debt Payable to Affiliated Companies	625	—	—	—	(625)	—
Deferred Credits and Other Liabilities						
Deferred income taxes	14,767	(565)	360	(1,857)	—	12,705
Investment tax credits	472	—	—	—	—	472
Accrued pension and other post-retirement benefit costs	688	1	—	399	—	1,088
Asset retirement obligations	10,185	15	63	1	—	10,264
Regulatory liabilities	6,189	—	—	66	—	6,255
Other	1,033	74	254	345	—	1,706
Total deferred credits and other liabilities	33,334	(475)	677	(1,046)	—	32,490
Equity						
Total Duke Energy Corporation stockholders' equity	42,735	1,769	2,702	42,203	(49,682)	39,727
Noncontrolling interests	—	37	9	(16)	14	44
Total equity ^(a)	42,735	1,806	2,711	42,187	(49,668)	39,771
Total Liabilities and Equity	111,728	3,248	4,474	57,605	(55,899)	121,156
Segment reclassifications, intercompany balances and other	(166)	23	(464)	(55,480)	56,087	—
Reportable Segment Liabilities and Equity	\$ 111,562	\$ 3,271	\$ 4,010	\$ 2,125	\$ 188	\$ 121,156

(a) As of December 31, 2015, the International Energy segment had a carrying value of approximately \$2.7 billion, adjusted to include the cumulative foreign currency translation losses currently classified as accumulated other comprehensive income.

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(In millions)	Twelve Months Ended December 31, 2015							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Operating Revenues								
Regulated electric	\$ 7,229	\$ 5,290	\$ 4,977	\$ 973	\$ 359	\$ 2,890	\$ (197)	\$ 21,521
Regulated natural gas	—	—	—	438	103	—	—	541
Total operating revenues	7,229	5,290	4,977	1,411	462	2,890	(197)	22,062
Operating Expenses								
Fuel used in electric generation and purchased power	1,881	2,029	2,195	303	143	982	(225)	7,308
Cost of natural gas	—	—	—	99	42	—	—	141
Operation, maintenance and other	1,923	1,402	810	315	133	666	11	5,260
Depreciation and amortization	1,044	643	473	182	44	434	(6)	2,814
Property and other taxes	269	140	352	241	13	61	(2)	1,074
Impairment charges ^(b)	1	5	7	—	—	88	—	101
Total operating expenses	5,118	4,219	3,837	1,140	375	2,231	(222)	16,698
(Losses) Gains on Sales of Other Assets and Other, net	(1)	3	—	8	—	1	—	11
Operating Income	2,110	1,074	1,140	279	87	660	25	5,375
Other Income and Expenses, net^(c)	160	71	24	7	1	11	(12)	262
Interest Expense	412	235	198	64	14	176	(2)	1,097
Income from Continuing Operations Before Income Taxes								
Income Taxes	1,858	910	966	222	74	495	15	4,540
Income Tax Expense	682	312	351	77	28	169	28	1,647
Segment Income	\$ 1,176	\$ 598	\$ 615	\$ 145	\$ 46	\$ 326	\$ (13)	\$ 2,893
Special Items	12	5	1	1	—	60	—	79
Adjusted Earnings^(d)	\$ 1,188	\$ 603	\$ 616	\$ 146	\$ 46	\$ 386	\$ (13)	\$ 2,972

- (a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.
(b) The amount for Duke Energy Indiana relates to the Edwardsport settlement.
(c) Includes an equity component of allowance for funds used during construction of \$96 million for Duke Energy Carolinas, \$47 million for Duke Energy Progress, \$7 million for Duke Energy Florida, \$3 million for Duke Energy Ohio, and \$11 million for Duke Energy Indiana.
(d) See page 15 for a detailed reconciliation of Regulated Utilities Segment Income to Adjusted Earnings.

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(In millions)	Twelve Months Ended December 31, 2014							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations /Adjustments	Regulated Utilities
Operating Revenues								
Regulated electric	\$ 7,356	\$ 5,176	\$ 4,975	\$ 947	\$ 369	\$ 3,175	\$ (305)	\$ 21,893
Regulated natural gas	—	—	—	454	124	—	—	578
Total operating revenues	7,356	5,176	4,975	1,401	493	3,175	(305)	22,271
Operating Expenses								
Fuel used in electric generation and purchased power	2,118	2,025	2,158	287	172	1,259	(333)	7,686
Cost of natural gas	—	—	—	125	60	—	—	185
Operation, maintenance and other ^(b)	1,890	1,413	819	287	133	652	11	5,205
Depreciation and amortization	1,009	582	545	167	44	413	(1)	2,759
Property and other taxes	316	174	343	216	14	128	(2)	1,189
Impairment charges	—	—	2	—	—	—	—	2
Total operating expenses	5,333	4,194	3,867	1,082	423	2,452	(325)	17,026
Gains on Sales of Other Assets and Other, net	—	3	1	1	—	—	(1)	4
Operating Income	2,023	985	1,109	320	70	723	19	5,249
Other Income and Expenses, net ^(c)	172	51	20	8	2	22	(8)	267
Interest Expense	407	234	201	65	16	171	(1)	1,093
Income from Continuing Operations Before Income Taxes	1,788	802	928	263	56	574	12	4,423
Income Tax Expense	637	304	361	96	21	204	5	1,628
Segment Income	\$ 1,151	\$ 498	\$ 567	\$ 167	\$ 35	\$ 370	\$ 7	\$ 2,795
Special Items								
	72	30	—	—	—	—	—	102
Adjusted Earnings ^(d)	\$ 1,223	\$ 528	\$ 567	\$ 167	\$ 35	\$ 370	\$ 7	\$ 2,897

- (a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.
- (b) Duke Energy Carolinas and Duke Energy Progress include \$72 million and \$30 million, respectively related to the federal grand jury investigation of the February 2014 Dan River coal ash release and ash basin operations at other North Carolina coal plants.
- (c) Includes an equity component of allowance for funds used during construction of \$91 million for Duke Energy Carolinas, \$25 million for Duke Energy Progress, \$4 million for Duke Energy Ohio, and \$14 million for Duke Energy Indiana.
- (d) See page 16 for a detailed reconciliation of Regulated Utilities Segment Income to Adjusted Earnings.

REGULATED UTILITIES
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2015							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments(b)	Regulated Utilities
Current Assets								
Cash and cash equivalents	\$ 13	\$ 15	\$ 8	\$ 13	\$ 9	\$ 9	\$ —	\$ 67
Receivables, net	142	87	60	59	5	98	4	453
Restricted receivables of variable interest entities, net	596	349	308	—	—	—	455	1,708
Receivables from affiliated companies	113	16	85	19	11	29	(156)	117
Notes receivable from affiliated companies	163	—	—	—	—	83	(143)	103
Inventory	1,276	1,088	663	61	44	570	1	3,703
Regulatory assets	305	264	98	17	9	102	—	795
Other	95	113	39	60	38	15	23	383
Total current assets	2,703	1,932	1,261	229	116	904	184	7,329
Investments and Other Assets								
Investments in equity method unconsolidated affiliates	—	—	2	—	—	—	—	2
Investments and advances from subsidiaries	(48)	2	(3)	(1)	—	—	(3)	(53)
Nuclear decommissioning trust funds	3,050	2,035	740	—	—	—	—	5,825
Goodwill	—	—	—	920	—	—	15,030	15,950
Other	999	485	289	27	6	209	(45)	1,970
Total investments and other assets	4,001	2,522	1,028	946	6	209	14,982	23,694
Property, Plant and Equipment								
Cost	39,398	27,313	15,343	5,670	2,080	14,007	873	104,684
Accumulated depreciation and amortization	(13,521)	(10,141)	(4,720)	(1,583)	(924)	(4,484)	(1)	(35,374)
Generation facilities to be retired, net	—	548	—	—	—	—	—	548
Net property, plant and equipment	25,877	17,720	10,623	4,087	1,156	9,523	872	69,858
Regulatory Assets and Deferred Debits								
Regulatory assets	2,766	2,667	2,725	445	62	716	1,453	10,834
Other	4	3	2	2	—	2	—	13
Total regulatory assets and deferred debits	2,770	2,670	2,727	447	62	718	1,453	10,847
Total Assets	35,351	24,844	15,639	5,709	1,340	11,354	17,491	111,728
Intercompany balances and other	(94)	(140)	(105)	(19)	—	(38)	230	(166)
Reportable Segment Assets	\$ 35,257	\$ 24,704	\$ 15,534	\$ 5,690	\$ 1,340	\$ 11,316	\$ 17,721	\$ 111,562

- (a) Excludes the balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

REGULATED UTILITIES
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(In millions)	December 31, 2015							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments(b)	Regulated Utilities
Current Liabilities								
Accounts payable	\$ 753	\$ 399	\$ 322	\$ 176	\$ 26	\$ 189	\$ 2	\$ 1,867
Accounts payable to affiliated companies	137	162	106	14	14	35	2,787	3,255
Notes payable to affiliated companies	—	209	813	47	56	—	(144)	981
Taxes accrued	25	15	139	137	11	92	—	419
Interest accrued	95	96	43	15	3	56	(1)	307
Current maturities of long-term debt	356	2	13	4	102	547	77	1,101
Regulatory liabilities	39	85	200	9	3	62	2	400
Other	519	412	452	54	18	97	—	1,552
Total current liabilities	1,924	1,380	2,086	456	233	1,078	2,723	9,882
Long-Term Debt	7,711	6,366	4,253	1,274	193	3,071	2,284	25,152
Long-Term Debt Payable to Affiliated Companies	300	150	—	—	25	150	—	625
Deferred Credits and Other Liabilities								
Deferred income taxes	6,163	3,005	2,476	1,133	290	1,657	41	14,767
Investment tax credits	199	132	—	3	1	138	(1)	472
Accrued pension and other post-retirement benefit costs	107	262	242	42	12	80	(57)	688
Asset retirement obligations	3,918	4,567	802	21	104	525	248	10,185
Regulatory liabilities	2,802	1,878	509	192	53	754	1	6,189
Other	621	45	148	137	25	65	(6)	1,033
Total deferred credits and other liabilities	13,810	9,889	4,177	1,528	485	3,219	226	33,334
Equity	11,606	7,059	5,121	2,451	404	3,836	12,258	42,735
Total Liabilities and Equity	35,351	24,844	15,639	5,709	1,340	11,354	17,491	111,728
Intercompany balances and other	(94)	(140)	(105)	(19)	—	(38)	230	(166)
Reportable Segment Liabilities and Equity	\$ 35,257	\$ 24,704	\$ 15,534	\$ 5,690	\$ 1,340	\$ 11,316	\$ 17,721	\$ 111,562

(a) Excludes the balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

REGULATED UTILITIES
Revenues By Customer Class
(Unaudited)

(In millions)	December 31, 2015							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Regulated Electric Revenues								
Residential	\$ 2,991	\$ 1,943	\$ 2,651	\$ 590	\$ 125	\$ 991	\$ —	\$ 9,291
General service	2,276	1,339	1,546	299	134	734	—	6,328
Industrial	1,319	664	294	62	53	734	—	3,126
Wholesale	415	1,005	234	—	37	312	—	2,003
Change in unbilled	(15)	(15)	(12)	1	(1)	(15)	—	(57)
Other revenues	243	354	264	21	11	134	(197)	830
Total Revenues	\$ 7,229	\$ 5,290	\$ 4,977	\$ 973	\$ 359	\$ 2,890	\$ (197)	\$ 21,521
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 292	\$ 70	\$ —	\$ —	\$ 362
General service	—	—	—	120	28	—	—	148
Industrial	—	—	—	16	5	—	—	21
Change in unbilled	—	—	—	(4)	(1)	—	—	(5)
Other revenues	—	—	—	14	1	—	—	15
Total Revenues	\$ —	\$ —	\$ —	\$ 438	\$ 103	\$ —	\$ —	\$ 541

(in millions)	December 31, 2014							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Regulated Electric Revenues								
Residential	\$ 2,951	\$ 1,913	\$ 2,628	\$ 573	\$ 134	\$ 1,087	\$ —	\$ 9,286
General service	2,271	1,310	1,573	295	144	811	—	6,404
Industrial	1,267	668	300	56	60	832	—	3,183
Wholesale	385	911	210	—	20	321	—	1,847
Change in unbilled	(27)	(1)	13	(4)	(1)	(9)	—	(29)
Other revenues	509	375	251	27	12	133	(305)	1,002
Total Revenues	\$ 7,356	\$ 5,176	\$ 4,975	\$ 947	\$ 369	\$ 3,175	\$ (305)	\$ 21,693
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 299	\$ 81	\$ —	\$ —	\$ 380
General service	—	—	—	119	35	—	—	154
Industrial	—	—	—	17	5	—	—	22
Change in unbilled	—	—	—	(4)	(1)	—	—	(5)
Other revenues	—	—	—	23	4	—	—	27
Total Revenues	\$ —	\$ —	\$ —	\$ 454	\$ 124	\$ —	\$ —	\$ 578

(a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.

DUKE ENERGY OHIO SUPPLEMENT
Consolidating Statements of Operations
(Unaudited)

Twelve Months Ended December 31, 2015						
(in millions)	Regulated Utilities		Commercial Portfolio(a)	Other	Eliminations	Duke Energy Ohio
	Ohio Transmission & Distribution	Duke Energy Kentucky				
Operating Revenues						
Regulated electric	\$ 973	\$ 359	\$ —	\$ —	\$ (1)	\$ 1,331
Nonregulated electric and other	—	—	14	19	—	33
Regulated natural gas	438	103	—	—	—	541
Total operating revenues	1,411	462	14	19	(1)	1,905
Operating Expenses						
Fuel used in electric generation and purchased power - regulated	303	143	—	—	—	446
Fuel used in electric generation and purchased power - nonregulated	—	—	14	33	—	47
Cost of natural gas	99	42	—	—	—	141
Operation, maintenance and other	315	133	12	35	—	495
Depreciation and amortization	182	44	—	1	—	227
Property and other taxes	241	13	1	(1)	—	254
Total operating expenses	1,140	375	27	68	—	1,610
Gain on Sales of Other Assets and Other, net	8	—	—	—	—	8
Operating Income (Loss)	279	87	(13)	(49)	(1)	303
Other Income and Expenses, net	7	1	—	(2)	—	6
Interest Expense	64	14	—	1	—	79
Income (Loss) from Continuing Operations Before Income Taxes	222	74	(13)	(52)	(1)	230
Income Tax Expense (Benefit) from Continuing Operations	77	28	(5)	(19)	—	81
Segment Income (Loss) / Other Net Expense	\$ 145	\$ 46	\$ (8)	\$ (33)	\$ (1)	\$ 149
Income from Discontinued Operations, net of tax ^(b)						23
Net Income						\$ 172

- (a) Subsequent to the sale of the nonregulated Midwest generation business, beginning in the second quarter of 2015, all Duke Energy Ohio results of operations are presented in Regulated Utilities and Other.
- (b) Includes the after-tax charge of \$53 million for the litigation reserve related to a settlement agreement reached in a lawsuit related to the nonregulated Midwest generation business.

DUKE ENERGY OHIO SUPPLEMENT
Consolidating Statements of Operations
(Unaudited)

(In millions)	Twelve Months Ended December 31, 2014				
	Regulated Utilities		Commercial Portfolio	Other	Duke Energy Ohio
	Ohio Transmission & Distribution	Duke Energy Kentucky			
Operating Revenues					
Regulated electric	\$ 947	\$ 369	\$ —	\$ —	\$ 1,316
Nonregulated electric and other	—	—	19	—	19
Regulated natural gas	454	124	—	—	578
Total operating revenues	1,401	493	19	—	1,913
Operating Expenses					
Fuel used in electric generation and purchased power - regulated	287	172	—	—	459
Fuel used in electric generation and purchased power - nonregulated	—	—	25	—	25
Cost of natural gas	125	60	—	—	185
Operation, maintenance and other	287	133	78	18	516
Depreciation and amortization	167	44	2	1	214
Property and other taxes	216	14	3	1	234
Impairment charges ^(a)	—	—	94	—	94
Total operating expenses	1,082	423	202	20	1,727
Gain on Sales of Other Assets and Other, net	1	—	—	—	1
Operating Income (Loss)	320	70	(183)	(20)	187
Other Income and Expenses, net	8	2	—	—	10
Interest Expense	65	16	5	—	86
Income (Loss) from Continuing Operations before Income Taxes	263	56	(188)	(20)	111
Income Tax Expense (Benefit) from Continuing Operations	96	21	(67)	(7)	43
Segment Income (Loss) / Other Net Expense	\$ 167	\$ 35	\$ (121)	\$ (13)	\$ 68
Loss from Discontinued Operations, net of tax					(563)
Net Loss					\$ (495)

(a) The amount for Commercial Portfolio includes an impairment charge related to OVEC.

DUKE ENERGY MONEYPool SUPPLEMENT
Schedule of Moneypool Balances
(Unaudited)

(in millions)	December 31, 2015							
	Duke Energy(a)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(b)	Duke Energy Kentucky	Duke Energy Indiana	Consolidated
Moneypool lendings (borrowings) of commercial paper ^(c)	\$ 1,607	\$ (300)	\$ (333)	\$ (709)	\$ (41)	\$ (74)	\$ (150)	—
Moneypool (borrowings) lendings ^(d)	(102)	163	(27)	(104)	(6)	(7)	83	—

- (a) Duke Energy only includes Duke Energy Corporation (the Parent) and Duke Energy Business Services (DEBS).
- (b) Excludes amounts of from the wholly owned subsidiary, Duke Energy Kentucky.
- (c) Duke Energy issues commercial paper and loans a portion of the proceeds through the moneypool to the Subsidiary Public Utilities.
- (d) Duke Energy participates in a moneypool arrangement with the Subsidiary Public Utilities. Under the arrangement, short-term loans may be provided to affiliates. The Parent may loan funds through the moneypool but is prohibited from borrowing funds. DEBS is permitted to both borrow and loan funds into the moneypool. Borrowings presented for Duke Energy are borrowed by DEBS.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2015
(Dollars in millions, except per-share amounts)

	Adjusted Earnings	Special Items					Discontinued Operations	Total Adjustments	Reported Earnings
		Costs to Achieve, Mergers	Edwardport Settlement	Midwest Generation Operations	Ash Basin Settlement and Penalties	Cost Savings Initiatives			
SEGMENT INCOME									
Regulated Utilities	\$ 2,972	\$ —	\$ (58) ^B	\$ —	\$ (11) ^D	\$ (10) ^E	\$ —	\$ (78)	\$ 2,893
International Energy	225	—	—	—	—	—	—	—	225
Commercial Portfolio	140	—	—	(94) ^C	—	(1) ^F	(41) ^H	(136)	4
Total Reportable Segment Income	3,337	—	(58)	(94)	(11)	(11)	(41)	(215)	3,122
Other	(185)	(60) ^A	—	—	—	(77) ^G	—	(137)	(322)
Intercompany Eliminations	—	—	—	—	—	—	(4) ^I	(4)	(4)
Total Reportable Segment Income and Other Net Expense	3,152	(80)	(58)	(94)	(11)	(88)	(45)	(358)	2,798
Discontinued Operations	—	—	—	94 ^C	—	—	(74) ^J	20	20
Net Income Attributable to Duke Energy Corporation	\$ 3,152	\$ (80)	\$ (58)	\$ —	\$ (11)	\$ (88)	\$ (119)	\$ (338)	\$ 2,816
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 4.54	\$ (0.09)	\$ (0.08)	\$ —	\$ (0.02)	\$ (0.13)	\$ (0.17)	\$ (0.48)	\$ 4.05
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 4.54	\$ (0.09)	\$ (0.08)	\$ —	\$ (0.02)	\$ (0.13)	\$ (0.17)	\$ (0.48)	\$ 4.05

A - Net of \$37 million tax benefit. Recorded within Operating Expenses and Interest Expenses on the Consolidated Statements of Operations.

B - Net of \$35 million tax benefit. \$88 million recorded within Impairment charges and \$5 million recorded within Other Income and expenses, net on the Duke Energy Indiana Consolidated Statements of Operations.

C - Operating results of the nonregulated Midwest generation business that had been classified from discontinued operations after adjustment for special items and economic hedges (net of \$53 million tax benefit).

D - Net of \$3 million tax benefit. Recorded within Operation, maintenance and other on the Consolidated Statements of Operations. Includes \$8 million and \$6 million at Duke Energy Carolinas and Duke Energy Progress, respectively.

E - Net of \$8 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations. Includes \$7 million at Duke Energy Carolinas, \$4 million at Duke Energy Progress, \$2 million at Duke Energy Florida, \$1 million at Duke Energy Ohio and \$2 million at Duke Energy Indiana.

F - Net of \$1 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

G - Net of \$47 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

H - State tax expense resulting from the completion of the sale of the nonregulated Midwest generation business.

I - Reverses the impact on eliminations of classifying the nonregulated Midwest generation business as discontinued operations.

J - Recorded in Income (Loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations, and includes the impact of a litigation reserve related to the nonregulated Midwest generation business.

Weighted Average Shares (reported and adjusted) - in millions

Basic	694
Diluted	694

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2014
(Dollars in millions, except per-share amounts)

	Adjusted Earnings	Special Items						Economic Hedges (Mark-to-Market)*	Discontinued Operations	Total Adjustments	Reported Earnings
		Costs to Achieve Program Merger	Asset Impairment	Midwest Generation Operations	Litigation Reserve	Asset Sales	International Tax Adjustment				
SEGMENT INCOME											
Regulated Utilities	\$ 2,897	\$ --	\$ --	\$ --	\$ (102) ^J	\$ --	\$ --	\$ --	\$ (102)	\$ 2,795	
International Energy	428	--	--	--	--	--	(373) ^H	--	(373)	55	
Commercial Portfolio	109	--	(58) ^F	(114) ^C	--	--	--	(8) ^B	15 ^I	(55)	
Total Reportable Segment Income	3,434	--	(58)	(114)	(102)	--	(373)	(8)	15	2,795	
Other	(216)	(127) ^A	--	--	--	9 ^E	--	--	(118)	(334)	
Intercompany Eliminations	--	--	--	--	--	--	--	(10) ^G	(10)	(10)	
Total Reportable Segment Income and Other Net Expense	3,218	(127)	(58)	(114)	(102)	9	(373)	(8)	5	2,451	
Discontinued Operations	--	--	--	114 ^C	--	--	--	--	(662) ^D	(568)	
Net Income Attributable to Duke Energy Corporation	\$ 3,218	\$ (127)	\$ (58)	\$ --	\$ (102)	\$ 9	\$ (373)	\$ (8)	\$ (677)	\$ 1,883	
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 4.55	\$ (0.18)	\$ (0.08)	\$ --	\$ (0.14)	\$ 0.01	\$ (0.53)	\$ (0.01)	\$ (0.96)	\$ 1.89	
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 4.55	\$ (0.18)	\$ (0.08)	\$ --	\$ (0.14)	\$ 0.01	\$ (0.53)	\$ (0.01)	\$ (0.96)	\$ 1.89	

- A - Net of \$78 million tax benefit. \$5 million recorded as a decrease in Operating Revenue, \$198 million recorded within Operating Expenses and \$2 million recorded within Interest Expense on the Consolidated Statements of Operations.
- B - Net of \$3 million tax benefit. Recorded within Operating Revenue on the Consolidated Statements of Operations.
- C - Midwest Generation Operations reclassifies the operating results of the nonregulated Midwest generation business that had been classified as discontinued operations after adjustment for special items and economic hedges from discontinued operations to the Commercial Power segment (net of \$71 million tax benefit).
- D - Recorded in Income (loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes the impairment of the nonregulated Midwest generation business, the mark-to-market of economic hedges of the nonregulated Midwest generation business and certain costs associated with a contract settlement.
- E - Net of \$5 million tax expense. Recorded in Other Income and Expenses on the Consolidated Statements of Operations.
- F - Net of \$35 million tax benefit. Recorded in impairment charges on the Consolidated Statements of Operations.
- G - Reverses the impact on eliminations of classifying the nonregulated Midwest generation business as discontinued operations.
- H - Deferred tax impact resulting from the decision to repatriate International Energy's historic undistributed foreign earnings, included within Income Tax Expense on the Consolidated Statement of Operations.
- I - State tax benefit resulting from the planned disposition of the nonregulated Midwest generation business.
- J - Recorded within Operating, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) - in millions
Basic 707
Diluted 707

* Mark-to-market adjustments reflect the impact of derivative contracts, which are used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Portfolio segment and also relate to existing derivative positions that may have tenors beyond the planned disposal date of the nonregulated Midwest generation business. The mark-to-market impact of derivative contracts is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory treatment. The economic value of generation assets is subject to fluctuations in fair value due to market price volatility of input and output commodities (e.g. coal, electricity, natural gas). Economic hedging involves both purchases and sales of those input and output commodities related to generation assets. Operations of the generation assets are accounted for under the accrual method. Management believes excluding impacts of mark-to-market changes of the derivative contracts from adjusted earnings until settlement better matches the financial impacts of the derivative contract with the portion of economic value of the underlying hedged asset. However, due to the diversification of the nonregulated Midwest generation business as mentioned above, certain derivative positions have tenors beyond the planned disposal date of these assets. As such, management has excluded settlements of these derivative positions from adjusted diluted EPS as these realized gains and losses more closely relate to the loss on disposal of these assets. Management believes that the presentation of adjusted diluted EPS attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on the non-GAAP financial measures, adjusted earnings and adjusted diluted earnings per share (EPS). These items are measured as income from continuing operations net of income (loss) attributable to non-controlling interests, adjusted for the dollar and per-share impact of mark-to-market impacts of economic hedges in the Commercial Portfolio segment and special items including the operating results of the Midwest Generation business (Disposal Group) classified as discontinued operations for GAAP purposes. 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. Operating results of the Disposal Group sold to Dynegy are reported as discontinued operations, including a portion of the mark-to-market adjustments associated with derivative contracts. Management believes that including the operating results of the Disposal Group reported as discontinued operations better reflects its financial performance and therefore has included these results in adjusted earnings and adjusted diluted EPS prior to the sale of the Disposal Group. Additionally, as a result of completing the sale of the Disposal Group during the second quarter of 2015, state income tax expense increased as state income tax apportionments changed. The additional tax expense was recognized in Continuing Operations on a GAAP basis. This impact to state income taxes has been excluded from the Commercial Portfolio segment for adjusted diluted EPS purposes as management believes these impacts are incidental to the sale of the Disposal Group. Derivative contracts are used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Portfolio segment. The mark-to-market impact of derivative contracts is recognized in GAAP earnings immediately and, if associated with the Disposal Group, classified as discontinued operations, as such derivative contracts do not qualify for hedge accounting or regulatory treatment. The economic value of generation assets is subject to fluctuations in fair value due to market price volatility of input and output commodities (e.g. coal, electricity, natural gas). Economic hedging involves both purchases and sales of those input and output commodities related to generation assets. Operations of the generation assets are accounted for under the accrual method. Management believes excluding impacts of mark-to-market changes of the derivative contracts from adjusted earnings until settlement better matches the financial impacts of the derivative contract with the portion of economic value of the underlying hedged asset. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting results to the Board of Directors, employees, shareholders, analysts and investors concerning Duke Energy's financial performance. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation and Diluted EPS Attributable to Duke Energy Corporation common shareholders, which include the dollar and per share impact of special items, mark-to-market impacts of economic hedges in the Commercial Portfolio segment and discontinued operations.

Management evaluates segment performance based on segment income. Segment income is defined as income from continuing operations net of income attributable to non-controlling interests. Segment income, includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for the mark-to-market impacts of economic hedges in the Commercial Portfolio segment and special items, including the operating results of the Disposal Group classified as discontinued operations for GAAP purposes. Management believes the presentation of adjusted segment income as presented provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income is segment income, which represents segment income from continuing operations, including any special items and the mark-to-market impacts of economic hedges in the Commercial Portfolio segment.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other entities may not calculate the measures in the same manner.

**UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION**
 Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
 Pursuant to Section 13 or 15(d) of the
 Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 13, 2016

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
------------------------	--	---------------------------------

DUKE ENERGY CORPORATION

(a Delaware corporation)
 550 South Tryon Street
 Charlotte, North Carolina 28202-1803
 704-382-3853

1-32853

20-2777218



Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	DUKE ENERGY INDIANA, LLC. (Formerly DUKE ENERGY INDIANA, INC.) (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-3274	DUKE ENERGY FLORIDA, LLC (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Conditions.

The information attached hereto as exhibit 99.1 provides supplemental financial information for Duke Energy Corporation.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 First Quarter 2016 Statistical Supplement

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

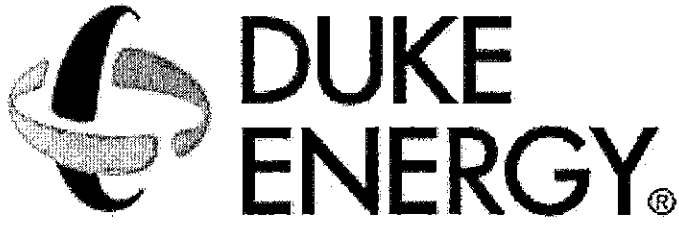
**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC**

Date: May 13, 2016

By: /s/ Brian D. Savoy
Name: Brian D. Savoy
Title: Senior Vice President, Chief Accounting Officer and Controller

EXHIBIT INDEX

Exhibit	Description
99.1	First Quarter 2016 Statistical Supplement



1st Quarter 2016 Statistical Supplement

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This Statistical Supplement should be read in conjunction with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2015, and the most recently filed Form 10-Q.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(In millions)	Three Months Ended March 31, 2016					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 5,089	\$ —	\$ —	\$ —	(36)	\$ 5,053
Nonregulated electric and other	—	246	114	29	11	400
Regulated natural gas	170	—	—	—	(1)	169
Total operating revenues	5,259	246	114	29	(26)	5,622
Operating Expenses						
Fuel used in electric generation and purchased power - regulated	1,577	—	—	—	—	1,577
Fuel used in electric generation and purchased power - nonregulated	—	47	—	11	—	58
Cost of natural gas	49	11	—	—	—	60
Operation, maintenance and other	1,332	71	75	36	(25)	1,489
Depreciation and amortization	728	22	30	34	—	814
Property and other taxes	279	3	6	9	—	297
Impairment charges	2	—	—	2	(1)	3
Total operating expenses	3,967	154	111	92	(26)	4,298
Gains on Sales of Other Assets and Other, net	1	—	1	7	—	9
Operating Income (Loss)	1,293	92	4	(56)	—	1,333
Other Income and Expenses, net	64	16	2	10	(5)	87
Interest Expense ^(a)	277	22	12	205	(5)	511
Income (Loss) from Continuing Operations Before Income Taxes	1,080	86	(6)	(251)	—	909
Income Tax Expense (Benefit) from Continuing Operations ^(c)	385	(39)	(33)	(100)	—	213
Income (Loss) from Continuing Operations	695	125	27	(151)	—	696
Less: Net Income Attributable to Noncontrolling Interest	—	2	—	3	—	5
Segment Income / Other Net Expense	\$ 695	\$ 123	\$ 27	\$ (154)	\$ —	\$ 691
Income from Discontinued Operations, net of tax						3
Net Income Attributable to Duke Energy Corporation						\$ 694
Segment Income / Other Net Expense	\$ 695	\$ 123	\$ 27	\$ (154)	\$ —	\$ 691
Special Items	—	—	—	86	—	86
Adjusted Earnings ^(d)	\$ 695	\$ 123	\$ 27	\$ (68)	\$ —	\$ 777

(a) Other includes costs to achieve mergers of \$100 million related to the mark-to-market unrealized losses related to the forward-starting interest rate swaps and other financing costs for the expected financing of the Piedmont Natural Gas (Piedmont) acquisition.

(b) International Energy includes a net tax benefit of \$84 million related to more efficient utilization of foreign tax credits combined with the Company's intent to no longer indefinitely reinvest the foreign earnings of the International Energy segment, net of additional tax expense recognized in 2016 on International Energy's undistributed earnings.

(c) Other includes a tax benefit of \$54 million related to costs to achieve mergers and cost savings initiatives.

(d) See page 13 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Three Months Ended March 31, 2015 ^(a)					Duke Energy
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	
Operating Revenues						
Regulated electric	\$ 5,490	\$ —	\$ —	\$ 1	\$ (34)	\$ 5,457
Nonregulated electric and other	—	273	73	26	5	377
Regulated natural gas	233	—	—	—	(2)	231
Total operating revenues	5,723	273	73	27	(31)	6,065
Operating Expenses						
Fuel used in electric generation and purchased power - regulated	1,941	—	—	—	—	1,941
Fuel used in electric generation and purchased power - nonregulated	—	90	14	—	—	104
Cost of natural gas	97	14	—	—	—	111
Operation, maintenance and other	1,320	78	46	11	(29)	1,426
Depreciation and amortization	698	23	24	32	—	777
Property and other taxes	249	2	5	7	1	264
Total operating expenses	4,305	207	89	50	(28)	4,623
Gains on Sales of Other Assets and Other, net	7	—	—	7	—	14
Operating Income (Loss)	1,425	66	(16)	(16)	(3)	1,456
Other Income and Expenses, net	72	14	2	1	(2)	87
Interest Expense	275	23	12	97	(4)	403
Income (Loss) from Continuing Operations Before Income Taxes	1,222	57	(26)	(112)	(1)	1,140
Income Tax Expense (Benefit) from Continuing Operations	448	20	(33)	(71)	—	364
Income (Loss) from Continuing Operations	774	37	7	(41)	(1)	776
Less: Net Income Attributable to Noncontrolling Interest	—	1	—	2	—	3
Segment Income / Other Net Expense	\$ 774	\$ 36	\$ 7	\$ (43)	\$ (1)	\$ 773
Income from Discontinued Operations, net ^(b)	—	—	—	—	—	91
Net Income Attributable to Duke Energy Corporation	—	—	—	—	—	\$ 864
Segment Income / Other Net Expense						
Segment Income / Other Net Expense	\$ 774	\$ 36	\$ 7	\$ (43)	\$ (1)	\$ 773
Special Items	—	—	94	13	1	108
Adjusted Earnings ^(c)	\$ 774	\$ 36	\$ 101	\$ (30)	\$ —	\$ 881

- (a) During the first quarter of 2016, Duke Energy began to evaluate interim period segment performance based on financial information that includes the impact of income tax levelization within segment income. This represents a change from the previous measure, where the interim period impacts of income tax levelization were included within Other, and therefore excluded from segment income. As a result, prior-period segment results presented have been recast to conform to this change.
- (b) Income from Discontinued Operations, net primarily relates to the operating results of the nonregulated Midwest generation business, which was sold in April 2015.
- (c) See page 14 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(In millions)	March 31, 2016					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 76	\$ 504	\$ 14	\$ 185	\$ (1)	\$ 778
Receivables, net	404	146	20	40	(1)	609
Restricted receivables of variable interest entities, net	1,679	—	20	15	—	1,714
Receivables from affiliated companies	58	—	428	3,260	(3,746)	—
Notes receivable from affiliated companies	451	—	—	539	(990)	—
Inventory	3,614	64	18	25	—	3,721
Regulatory assets	733	—	—	81	(1)	813
Other	174	25	109	50	(50)	308
Total current assets	7,189	739	609	4,195	(4,789)	7,943
Investments and Other Assets						
Investments in equity method unconsolidated affiliates	2	46	474	26	(1)	547
Investments and advances to (from) subsidiaries	47	(23)	(56)	50,032	(50,000)	—
Nuclear decommissioning trust funds	5,880	—	—	—	—	5,880
Goodwill	15,950	277	122	—	—	16,349
Other	2,007	205	119	1,345	(640)	3,036
Total investments and other assets	23,886	505	659	51,403	(50,641)	25,812
Property, Plant and Equipment						
Cost	105,512	2,957	3,757	1,715	1	113,942
Accumulated depreciation and amortization	(35,759)	(977)	(470)	(948)	—	(38,154)
Generation facilities to be retired, net	644	—	—	—	—	644
Net property, plant and equipment	70,397	1,980	3,287	767	1	76,432
Regulatory Assets and Deferred Debits						
Regulatory assets	10,950	—	—	533	—	11,483
Other	13	—	—	26	—	39
Total regulatory assets and deferred debits	10,963	—	—	559	—	11,522
Total Assets	112,435	3,224	4,555	56,924	(55,429)	121,709
Segment reclassifications, intercompany balances and other	(597)	23	(372)	(54,661)	55,607	—
Segment Assets	\$ 111,838	\$ 3,247	\$ 4,183	\$ 2,263	\$ 178	\$ 121,709

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(In millions)	March 31, 2016					Duke Energy
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	
Current Liabilities						
Accounts payable	\$ 1,596	\$ 52	\$ 91	\$ 347	\$ —	\$ 2,086
Accounts payable to affiliated companies	3,336	127	227	26	(3,716)	—
Notes payable to affiliated companies	539	—	—	451	(990)	—
Notes payable and commercial paper	—	—	—	3,486	—	3,486
Taxes accrued	426	47	(262)	183	—	394
Interest accrued	352	22	—	107	—	481
Current maturities of long-term debt	1,413	68	82	512	—	2,075
Regulatory liabilities	404	—	—	—	—	404
Other	1,436	55	49	508	(83)	1,965
Total current liabilities	9,502	371	187	5,820	(4,789)	10,891
Long-Term Debt	25,879	653	995	10,704	1	38,232
Long-Term Debt Payable to Affiliated Companies	625	—	17	—	(642)	—
Deferred Credits and Other Liabilities						
Deferred income taxes	15,057	189	315	(2,736)	—	12,825
Investment tax credits	493	—	—	—	—	493
Accrued pension and other post-retirement benefit costs	678	1	—	398	—	1,077
Asset retirement obligations	10,186	16	67	1	(1)	10,269
Regulatory liabilities	6,218	—	—	60	—	6,278
Other	1,018	84	281	318	2	1,703
Total deferred credits and other liabilities	33,650	290	663	(1,959)	1	32,645
Equity						
Total Duke Energy Corporation stockholders' equity	42,779	1,869	2,671	42,573	(50,000)	39,892
Noncontrolling interests	—	41	22	(14)	—	49
Total equity^(a)	42,779	1,910	2,693	42,559	(50,000)	39,941
Total Liabilities and Equity	112,435	3,224	4,555	56,924	(55,429)	121,709
Segment reclassifications, intercompany balances and other	(597)	23	(372)	(54,661)	55,607	—
Segment Liabilities and Equity	\$ 111,838	\$ 3,247	\$ 4,183	\$ 2,263	\$ 178	\$ 121,709

(a) As of March 31, 2016, the International Energy segment had a carrying value of approximately \$2.6 billion, adjusted for \$644 million of cumulative foreign currency translation losses currently classified as accumulated other comprehensive loss.

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2016							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Operating Revenues								
Regulated electric	\$ 1,740	\$ 1,307	\$ 1,024	\$ 256	\$ 84	\$ 714	\$ (36)	\$ 5,089
Regulated natural gas	—	—	—	133	37	—	—	170
Total operating revenues	1,740	1,307	1,024	389	121	714	(36)	5,259
Operating Expenses								
Fuel used in electric generation and purchased power	421	448	412	79	32	228	(43)	1,577
Cost of natural gas	—	—	—	34	15	—	—	49
Operation, maintenance and other	492	373	199	77	32	158	1	1,332
Depreciation and amortization	254	175	114	50	11	125	(1)	728
Property and other taxes	67	41	78	68	3	23	(1)	279
Impairment charges	—	—	2	—	—	—	—	2
Total operating expenses	1,234	1,037	805	308	93	534	(44)	3,967
Gains on Sales of Other Assets and Other, net	—	1	—	1	—	—	(1)	1
Operating Income	506	271	219	82	28	180	7	1,293
Other Income and Expenses, net	37	17	5	1	1	4	(1)	64
Interest Expense	107	63	41	16	4	44	2	277
Income Before Income Taxes	436	225	183	67	25	140	4	1,080
Income Tax Expense	148	80	69	18	6	43	21	385
Segment Income	\$ 288	\$ 145	\$ 114	\$ 49	\$ 19	\$ 97	\$ (17)	\$ 695

(a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2015							Eliminations / Adjustments	Regulated Utilities
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana			
Operating Revenues									
Regulated electric	\$ 1,901	\$ 1,449	\$ 1,086	\$ 245	\$ 94	\$ 788	\$ (73)	\$ 5,490	
Regulated natural gas	—	—	—	178	55	—	—	233	
Total operating revenues	1,901	1,449	1,086	423	149	788	(73)	5,723	
Operating Expenses									
Fuel used in electric generation and purchased power	578	575	457	75	40	294	(78)	1,941	
Cost of natural gas	—	—	—	69	28	—	—	97	
Operation, maintenance and other	476	368	183	77	35	179	2	1,320	
Depreciation and amortization	249	152	134	45	12	104	2	698	
Property and other taxes	70	32	80	67	3	(1)	(2)	249	
Total operating expenses	1,373	1,127	854	333	118	576	(76)	4,305	
Gains on Sales of Other Assets and Other, net	—	—	—	6	—	—	1	7	
Operating Income	528	322	232	96	31	212	4	1,425	
Other Income and Expenses, net	42	20	6	2	1	5	(4)	72	
Interest Expense	102	60	49	16	4	45	(1)	275	
Income Before Income Taxes	468	282	189	82	28	172	1	1,222	
Income Tax Expense	168	95	73	30	10	62	10	448	
Segment Income	\$ 300	\$ 187	\$ 116	\$ 52	\$ 18	\$ 110	\$ (9)	\$ 774	

(a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Consolidating Balance Sheets - Assets
(Unaudited)

(In millions)	March 31, 2016							Eliminations / Adjustments	Regulated Utilities
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana			
Current Assets									
Cash and cash equivalents	\$ 17	\$ 11	\$ 12	\$ 8	\$ 11	\$ 17	\$ —	\$ 76	
Receivables, net	129	47	61	80	2	82	3	404	
Restricted receivables of variable interest entities, net	615	372	256	—	—	—	436	1,679	
Receivables from affiliated companies	78	5	26	8	9	106	(174)	58	
Notes receivable from affiliated companies	854	—	—	—	19	102	(524)	451	
Inventory	1,236	1,074	674	64	41	525	—	3,614	
Regulatory assets	269	222	111	10	7	114	—	733	
Other	32	47	53	9	17	16	—	174	
Total current assets	3,230	1,778	1,193	179	106	962	(259)	7,189	
Investments and Other Assets									
Investments in equity method unconsolidated affiliates	—	—	2	—	—	—	—	2	
Investments and advances to subsidiaries	10	19	18	—	—	—	—	47	
Nuclear decommissioning trust funds	3,081	2,068	730	—	—	—	1	5,880	
Goodwill	—	—	—	920	—	—	15,030	15,950	
Other	1,002	520	298	24	6	204	(47)	2,007	
Total investments and other assets	4,093	2,607	1,048	944	6	204	14,984	23,886	
Property, Plant and Equipment									
Cost	39,833	27,503	15,652	5,710	2,093	13,864	857	105,512	
Accumulated depreciation and amortization	(13,769)	(10,266)	(4,734)	(1,585)	(930)	(4,472)	(3)	(35,759)	
Generation facilities to be retired, net	—	531	—	—	—	113	—	644	
Net property, plant and equipment	26,064	17,768	10,918	4,125	1,163	9,505	854	70,397	
Regulatory Assets and Deferred Debits									
Regulatory assets	2,801	2,725	2,730	441	71	766	1,416	10,950	
Other	4	3	2	2	—	2	—	13	
Total regulatory assets and deferred debits	2,805	2,728	2,732	443	71	768	1,416	10,963	
Total Assets	36,192	24,881	15,891	5,691	1,346	11,439	16,995	112,435	
Intercompany balances and other	(251)	(162)	(91)	(11)	—	(98)	16	(597)	
Reportable Segment Assets	\$ 35,941	\$ 24,719	\$ 15,800	\$ 5,680	\$ 1,346	\$ 11,341	\$ 17,011	\$ 111,838	

(a) Excludes the balances of the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	March 31, 2016							Eliminations / Regulated Utilities
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations Adjustments	
Current Liabilities								
Accounts payable	\$ 597	\$ 295	\$ 371	\$ 188	\$ 17	\$ 124	\$ 4	\$ 1,596
Accounts payable to (from) affiliated companies	236	168	73	(2)	14	11	2,836	3,336
Notes payable to affiliated companies	—	108	948	8	—	—	(525)	539
Taxes accrued	83	33	64	111	11	119	5	426
Interest accrued	134	80	59	26	3	51	(1)	352
Current maturities of long-term debt	468	252	13	4	51	547	78	1,413
Regulatory liabilities	48	93	186	15	3	60	(1)	404
Other	452	382	450	53	18	79	2	1,436
Total current liabilities	2,018	1,411	2,164	403	117	991	2,398	9,502
Long-Term Debt	8,592	6,163	4,252	1,275	287	3,071	2,239	25,879
Long-Term Debt Payable to Affiliated Companies	300	150	—	—	25	150	—	625
Deferred Credits and Other Liabilities								
Deferred income taxes	6,318	3,067	2,563	1,145	298	1,650	16	15,057
Investment tax credits	197	154	—	3	1	138	—	493
Accrued pension and other post-retirement benefit costs	105	261	240	40	12	78	(58)	678
Asset retirement obligations	3,913	4,573	799	22	103	525	251	10,186
Regulatory liabilities	2,829	1,876	509	192	53	759	—	6,218
Other	642	31	132	134	27	59	(7)	1,018
Total deferred credits and other liabilities	14,004	9,962	4,243	1,536	494	3,209	202	33,650
Equity	11,278	7,195	5,232	2,477	423	4,018	12,156	42,779
Total Liabilities and Equity	36,192	24,881	15,891	5,691	1,346	11,439	16,995	112,435
Intercompany balances and other	(251)	(162)	(91)	(11)	—	(98)	16	(597)
Reportable Segment Liabilities and Equity	\$ 35,941	\$ 24,719	\$ 15,800	\$ 5,680	\$ 1,346	\$ 11,341	\$ 17,011	\$ 111,838

(a) Excludes the balances of the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Revenues By Customer Class
(Unaudited)

(In millions)	Three Months Ended March 31, 2016							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Regulated Electric Revenues								
Residential	\$ 787	\$ 514	\$ 520	\$ 164	\$ 34	\$ 269	\$ —	\$ 2,288
General service	526	311	307	76	32	171	—	1,423
Industrial	287	148	62	16	13	171	—	697
Wholesale	114	268	58	—	5	88	—	533
Change in unbilled	6	(9)	2	(5)	(1)	(9)	—	(16)
Other revenues	20	75	75	5	1	24	(36)	164
Total Revenues	\$ 1,740	\$ 1,307	\$ 1,024	\$ 256	\$ 84	\$ 714	\$ (36)	\$ 5,089

Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 87	\$ 28	\$ —	\$ —	\$ 115
General service	—	—	—	38	10	—	—	48
Industrial	—	—	—	5	2	—	—	7
Change in unbilled	—	—	—	(2)	(1)	—	—	(3)
Other revenues	—	—	—	5	(2)	—	—	3
Total Revenues	\$ —	\$ —	\$ —	\$ 133	\$ 37	\$ —	\$ —	\$ 170

(in millions)	Three Months Ended March 31, 2015							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Regulated Electric Revenues								
Residential	\$ 878	\$ 593	\$ 556	\$ 164	\$ 38	\$ 321	\$ —	\$ 2,550
General service	533	326	335	75	34	190	—	1,493
Industrial	288	159	69	15	13	188	—	732
Wholesale	118	299	76	—	14	78	—	583
Change in unbilled	(42)	(26)	(9)	(7)	(2)	(21)	—	(107)
Other revenues	128	98	59	(2)	(3)	32	(73)	239
Total Revenues	\$ 1,901	\$ 1,449	\$ 1,086	\$ 245	\$ 94	\$ 788	\$ (73)	\$ 5,490

Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 116	\$ 39	\$ —	\$ —	\$ 155
General service	—	—	—	51	16	—	—	67
Industrial	—	—	—	8	2	—	—	10
Change in unbilled	—	—	—	(3)	(1)	—	—	(4)
Other revenues	—	—	—	6	(1)	—	—	5
Total Revenues	\$ —	\$ —	\$ —	\$ 178	\$ 55	\$ —	\$ —	\$ 233

(a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.

DUKE ENERGY MONEYPPOOL SUPPLEMENT
Schedule of Moneypool Balances
(Unaudited)

March 31, 2016								
(in millions)	Duke Energy(a)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(b)	Duke Energy Kentucky	Duke Energy Indiana	Consolidated
Moneypool lendings (borrowings) of commercial paper ^(c)	\$ 1,164	\$ (300)	\$ (205)	\$ (480)	\$ (4)	\$ (25)	\$ (150)	—
Moneypool (borrowings) lendings ^(d)	(451)	855	(53)	(468)	(4)	19	102	—

- (a) Duke Energy only includes Duke Energy Corporation (the Parent) and Duke Energy Business Services (DEBS).
(b) Excludes amounts of the wholly owned subsidiary, Duke Energy Kentucky.
(c) Duke Energy issues commercial paper and loans a portion of the proceeds through the moneypool to the subsidiary Public Utilities.
(d) Duke Energy participates in a moneypool arrangement with the subsidiary Public Utilities. Under the arrangement, short-term loans may be provided to affiliates. The Parent may loan funds through the moneypool but is prohibited from borrowing funds. DEBS is permitted to both borrow and loan funds into the moneypool. Borrowings presented for Duke Energy are borrowed by DEBS.

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

	Adjusted Earnings	Special Items			Total Adjustments	Reported Earnings
		Costs to Achieve, Mergers	Cost Savings Initiatives	Discontinued Operations		
SEGMENT INCOME						
Regulated Utilities	\$ 695	\$ —	\$ —	\$ —	\$ —	\$ 695
International Energy	123	—	—	—	—	123
Commercial Portfolio	27	—	—	—	—	27
Total Reportable Segment Income	845	—	—	—	—	845
Other	(68)	(74) A	(12) B	—	(86)	(154)
Total Reportable Segment Income and Other Net Expense	777	(74)	(12)	—	(86)	691
Discontinued Operations	—	—	—	3 C	3	3
Net Income Attributable to Duke Energy Corporation	\$ 777	\$ (74)	\$ (12)	\$ 3	\$ (83)	\$ 694
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 1.13	\$ (0.11)	\$ (0.02)	\$ 0.01	\$ (0.12)	\$ 1.01
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.13	\$ (0.11)	\$ (0.02)	\$ 0.01	\$ (0.12)	\$ 1.01

A - Net of \$46 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$19 million recorded within Operating Expenses and \$100 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

B - Net of \$8 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

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

Weighted Average Shares (reported and adjusted) - in millions
Basic 689
Diluted 689

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
Three Months Ended March 31, 2015
(Dollars in millions, except per-share amounts)

	Adjusted Earnings	Special Items			Total Adjustments	Reported Earnings
		Costs to Achieve, Progress Merger	Midwest Generation Operations	Discontinued Operations		
SEGMENT INCOME						
Regulated Utilities	\$ 774	\$ —	\$ —	\$ —	\$ —	\$ 774
International Energy	36	—	—	—	—	36
Commercial Portfolio	101	—	(94) B	—	(94)	7
Total Reportable Segment Income	911	—	(94)	—	(94)	817
Other	(30)	(13) A	—	—	(13)	(43)
Intercompany Eliminations	—	—	—	(1) D	(1)	(1)
Total Reportable Segment Income and Other Net Expense	881	(13)	(94)	(1)	(108)	773
Discontinued Operations	—	—	94 B	(3) C	91	91
Net Income Attributable to Duke Energy Corporation	\$ 881	\$ (13)	\$ —	\$ (4)	\$ (17)	\$ 864
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 1.24	\$ (0.02)	\$ —	\$ —	\$ (0.02)	\$ 1.22
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.24	\$ (0.02)	\$ —	\$ —	\$ (0.02)	\$ 1.22

A - Net of \$8 million tax benefit. Recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Operating results of the nonregulated Midwest generation business that had been classified from discontinued operations after adjustment for special items and economic hedges (net of \$53 million tax benefit).

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

D - Reverses the impact on eliminations of classifying the nonregulated Midwest generation business as discontinued operations.

Weighted Average Shares (reported and adjusted) - in millions

Basic	708
Diluted	708

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, adjusted earnings and adjusted diluted EPS. These items represent income from continuing operations net of income (loss) attributable to noncontrolling interests, adjusted for the dollar and per-share impact of special items. Special items represent certain charges and credits, which management believes will not be recurring on a regular basis. The special items for the period ended March 31, 2015, include the operating results of the nonregulated Midwest generation business and Duke Energy Retail Sales (collectively, the Disposal Group) which are classified as discontinued operations for GAAP purposes. Management believes inclusion of the Disposal Group's operating results within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance. Costs to achieve mergers includes financing costs related to the unsecured bridge facility to support the acquisition of Piedmont and the mark-to-market unrealized losses related to the forward-starting interest rate swaps used by Duke Energy to manage interest rate exposure for the expected financing of the Piedmont acquisition. The mark-to-market impact of forward-starting interest rate swaps is recognized in GAAP earnings immediately as the contracts do not qualify for hedge accounting or regulatory treatment. Management believes excluding the impact of the mark-to-market losses of the forward-starting interest rate swaps from adjusted earnings better reflects Duke Energy's financial performance and therefore has excluded these impacts from adjusted earnings and adjusted diluted EPS. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors concerning Duke Energy's financial performance. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation and Diluted EPS Attributable to Duke Energy Corporation common stockholders.

Management evaluates segment performance based on segment income. Segment income is defined as income from continuing operations net of income attributable to noncontrolling interests. Segment income, as discussed below, includes intercompany revenues and expenses that are eliminated in the Condensed Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, including the operating results of the Disposal Group classified as discontinued operations for GAAP purposes. Management believes the presentation of adjusted segment income provides useful information to investors as it provides an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income is segment income, which represents segment income from continuing operations not adjusted for any special items.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other entities may not calculate the measures in the same manner.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 20, 2016**

DUKE ENERGY OHIO, INC.
(Exact Name of Registrant as Specified in its Charter)

Ohio
(State or Other Jurisdiction
of Incorporation)

1-1232
(Commission
File Number)

31-0240030
(IRS Employer
Identification No.)

139 East Fourth Street, Cincinnati, Ohio 45202
(Address of Principal Executive Offices, including Zip code)

(704) 382-3853
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 8.01. Other Events.

On June 20, 2016, Duke Energy Ohio, Inc. (the "Company") entered into an underwriting agreement, dated June 20, 2016 (the "Underwriting Agreement"), with Citigroup Global Markets Inc., Lebenthal & Co., LLC, Loop Capital Markets LLC, Mischler Financial Group, Inc., Samuel A. Ramirez & Company, Inc. and The Williams Capital Group, L.P., as representatives of the several underwriters named therein (the "Underwriters"), pursuant to which the Company agreed to issue and sell to the Underwriters \$250,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 3.70% Series, Due June 15, 2046 (the "Bonds"). The Bonds will be issued under the First Mortgage, dated as of August 1, 1936, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, as amended and supplemented from time to time (the "Indenture"), including by the Forty-fourth Supplemental Indenture, dated as of June 23, 2016 (the "Supplemental Indenture"). The disclosure in this Item 8.01 is qualified in its entirety by the provisions of the Indenture, the Supplemental Indenture, which is filed as Exhibit 4.1 hereto, and the Underwriting Agreement, which is filed as Exhibit 99.1 hereto. Such exhibits are incorporated herein by reference. Also, in connection with the issuance and sale of the Bonds, the Company is filing a legal opinion regarding the validity of the Bonds as Exhibit 5.1 to this Form 8-K for the purpose of incorporating the opinion into the Company's Registration Statement No. 333-191462-02.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 4.1 Forty-fourth Supplemental Indenture, dated as of June 23, 2016, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Bonds.
- 5.1 Opinion regarding validity of the Bonds.
- 23.1 Consent (included as part of Exhibit 5.1).
- 99.1 Underwriting Agreement, dated June 20, 2016, among the Company and Citigroup Global Markets Inc., Lebenthal & Co., LLC, Loop Capital Markets LLC, Mischler Financial Group, Inc., Samuel A. Ramirez & Company, Inc. and The Williams Capital Group, L.P., as representatives of the several underwriters named therein, in connection with the Company's issuance and sale of the Bonds.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DUKE ENERGY OHIO, INC.

Date: June 23, 2016

By: /s/ Robert T. Lucas III, Esq.
Name: Robert T. Lucas III, Esq.
Title: Deputy General Counsel and
Assistant Corporate Secretary

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
4.1	Forty-fourth Supplemental Indenture, dated as of June 23, 2016, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Bonds.
5.1	Opinion regarding validity of the Bonds.
23.1	Consent (included as part of Exhibit 5.1).
99.1	Underwriting Agreement, dated June 20, 2016, among the Company and Citigroup Global Markets Inc., Lebenthal & Co., LLC, Loop Capital Markets LLC, Mischler Financial Group, Inc., Samuel A. Ramirez & Company, Inc. and The Williams Capital Group, L.P., as representatives of the several underwriters named therein, in connection with the Company's issuance and sale of the Bonds.

Exhibit 4.1

DUKE ENERGY OHIO, INC.
(FORMERLY NAMED "THE CINCINNATI GAS & ELECTRIC COMPANY")

TO

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE

(SUCCESSOR TRUSTEE TO THE BANK OF NEW YORK MELLON
AND TO IRVING TRUST COMPANY)

FORTY-FOURTH SUPPLEMENTAL INDENTURE

DATED AS OF June 23, 2016

TO

FIRST MORTGAGE

DATED AS OF AUGUST 1, 1936

Creating First Mortgage Bonds, 3.70% Series, Due June 15, 2046

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FORTY-FOURTH SUPPLEMENTAL INDENTURE, dated as of June 23, 2016, between **DUKE ENERGY OHIO, INC.** (hereinafter sometimes referred to as the "Company"), a corporation organized and existing under the laws of the State of Ohio, formerly named The Cincinnati Gas & Electric Company, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, and the successor trustee to The Bank of New York Mellon and Irving Trust Company (hereinafter sometimes referred to as the "Trustee"), whose mailing address is 10161 Centurion Parkway N, Jacksonville, Florida 32256.

RECITALS OF THE COMPANY

The Indenture, dated as of August 1, 1936 (the "Original Indenture") was authorized, executed and delivered by the Company to provide for the issuance from time to time of its bonds, to be issued in one or more series as contemplated therein, and to provide security for the payment of the principal of and premium, if any, and interest, if any, on the bonds.

The Company has heretofore executed and delivered to the Trustee forty-two supplemental indentures for the purposes recited therein, including creating series of Securities and otherwise amending, restating and supplementing the Original Indenture (the Original Indenture, as so amended, restated and supplemented, being hereinafter called the "Indenture").

The Company, by appropriate corporate action in conformity with the terms of the Indenture, has duly determined to make, execute and deliver to the Trustee this Forty-fourth Supplemental Indenture to the Indenture as permitted by Sections 2.01, 3.01, 13.01 and 16.03 of the Indenture in order to establish the form or terms of, and to provide for the creation and issuance of, one new series of Securities under the Indenture to be designated as "First Mortgage Bonds, 3.70% Series, Due June 15, 2046", in an aggregate principal amount of \$250,000,000 (hereinafter referred to as the "Bonds").

All things necessary to make the Bonds herein described, when duly authenticated by the Trustee and issued by the Company, valid, binding, and legal obligations of the Company, and to make this Forty-fourth Supplemental Indenture a valid and binding agreement supplemental to the Indenture, have been done and performed.

THIS FORTY-FOURTH SUPPLEMENTAL INDENTURE WITNESSETH:

In consideration of the premises and of the acceptance and purchase of the Bonds, the Company hereby covenants and agrees to and with the Trustee as follows:

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

ARTICLE ONE.

DEFINITIONS

SECTION 1.01. DEFINITIONS.

(a) In addition to the words and terms defined elsewhere in this Forty-fourth Supplemental Indenture, the following defined term used herein shall, unless the context otherwise requires, have the meaning specified below.

“Business Day” means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in New York, New York or Cincinnati, Ohio are generally authorized or required by law, regulation or executive order to remain closed.

(b) Each capitalized term that is used herein and is defined in the Indenture shall have the meaning specified in the Indenture unless such term is otherwise defined herein. The terms defined herein include the plural as well as the singular.

ARTICLE TWO.

FIRST MORTGAGE BONDS, 3.70% SERIES, DUE JUNE 15, 2046

SECTION 2.01. CREATION AND DESIGNATION OF BONDS.

There is hereby created a series of Securities to be issued under and secured by the Indenture, to be designated as “First Mortgage Bonds, 3.70% Series, Due June 15, 2046” (such series being the Bonds hereinbefore referenced).

SECTION 2.02. AGGREGATE PRINCIPAL AMOUNT OF BONDS ISSUABLE.

(a) The principal amount of Bonds which may be authenticated and delivered hereunder is limited to the aggregate principal amount of Two Hundred Fifty Million Dollars (\$250,000,000) (except for Bonds authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Bonds pursuant to Section 3.04, 3.05, 3.06, 5.06 or 13.06 of the Indenture and except for any Bonds which, pursuant to Section 3.03 of the Indenture, are deemed never to have been authenticated and delivered hereunder).

(b) The Bonds in the aggregate principal amount of Two Hundred Fifty Million Dollars (\$250,000,000) may at any time subsequent to the execution hereof be executed by the Company and delivered to the Trustee and shall be authenticated by the Trustee and delivered (either before or after the recording hereof) upon the basis of Retired Securities issued and delivered to the Trustee for such purpose, pursuant to a Company Order referred to in Section 16.03 of the Indenture and upon receipt by the Trustee of the officer's certificate and other documents required by said Section 16.03.

SECTION 2.03. BOOK-ENTRY SYSTEM.

The following provisions shall apply to the Bonds.

(a) The Bonds shall be issued in fully registered form only. However, except as provided elsewhere in this Section, the registered owner of the Bonds initially shall be The Depository Trust Company ("DTC") or its nominee, and the Bonds initially shall be registered in the name of DTC or its nominee. Payment of the principal or Redemption Price (if any) of or interest on Bonds registered in the name of DTC or its nominee shall be made in the manner specified in DTC's rules and by-laws. DTC (and any successor securities depository) and its (or their) participating institutions (each, a "Participant") shall maintain a book-entry registration and transfer system with respect to ownership of beneficial interests in the Bonds (the "Book-Entry System").

(b) The Bonds initially shall be issued in the form of one or more authenticated, fully registered bonds (a "Global Security") which (i) need not be in the form of a lithographed or engraved certificate, but may be typewritten or printed on ordinary paper or such paper as the Trustee may reasonably request, (ii) shall represent and be denominated in an amount equal to 100% of the aggregate principal amount of such Bonds issued under the Indenture and this Forty-fourth Supplemental Indenture, (iii) shall be executed by the Company and authenticated by the Trustee in accordance with the provisions of the Indenture and this Forty-fourth Supplemental Indenture, (iv) shall be registered in the name of DTC or its nominee, and delivered to DTC or its nominee or a custodian therefor, and (v) shall contain the following legend on the face thereof:

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered holder hereof, Cede & Co., has an interest herein.

Unless and until it is exchanged in whole or in part for Bonds in definitive certificated form, each Global Security representing the Bonds may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor securities depository or a nominee of any such successor securities depository.

(c) The Trustee and the Company may treat DTC or its nominee, or any successor securities depository or nominee thereof (collectively, the "Depository") as the sole and

exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or Redemption Price (if any) of or interest on the Bonds, giving any notice permitted or required to be given to Holders of the Bonds under the Indenture or this Forty-fourth Supplemental Indenture, registering the transfer of the Bonds, obtaining any consent or other action to be taken by Holders of the Bonds, and for all other purposes whatsoever and neither the Trustee nor the Company shall be affected by any notice to the contrary. Neither the Company nor the Trustee nor any Security Registrar nor any Paying Agent shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through the Depository or any Participant, or any other Person which is not shown on the Security Register as being a Holder of Bonds with respect to (i) the accuracy of any records maintained by the Depository or any Participant; (ii) the payment by the Depository to any Participant of any amount in respect of the principal or Redemption Price (if any) of or interest on the Bonds; (iii) the payment by any Participant to any owner of a beneficial ownership interest in the Bonds in respect of the principal or Redemption Price (if any) of or interest on the Bonds or (iv) any consent or other action taken by the Depository as owner of the Bonds. The Trustee shall pay all principal or Redemption Price (if any) of and interest on the Bonds only to or upon the order of the registered Holder or Holders of the Bonds, as shown on the Security Register, and all such payments shall be valid and effective to fully satisfy and discharge the Company's obligations with respect to the principal or Redemption Price (if any) of and interest on the Bonds, to the extent of the sum or sums so paid. Except as hereinafter provided, no Person other than a Holder of a Bond, as shown on the Security Register, shall receive an authenticated Bond evidencing the obligation of the Company to make payment of the principal or Redemption Price (if any) of and interest on the Bonds, pursuant to the Indenture or this Forty-fourth Supplemental Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee for Cede & Co, and subject to the provisions of the Indenture, the word "Cede & Co.", as used in this Forty-fourth Supplemental Indenture, shall refer to each new nominee of DTC.

(d) In the event that after the occurrence of an Event of Default that has not been cured or waived, holders of a majority in aggregate principal amount of the beneficial interests in the Bonds, as reflected in the books and records of the Depository, notify the Trustee, through the Depository or any Participant, that the continuation of the Book-Entry System is no longer in the best interests of such holders of beneficial interests in the Bonds, then the Trustee shall notify the Depository and the Company, and the Depository will notify each Participant of the availability through the Depository of definitive certificated Bonds. In such event, the Company shall execute, and the Trustee, upon receipt of a Company Order, for the authentication and delivery of definitive certificated Bonds, will authenticate and deliver such Bonds in definitive certificated form, in any authorized denominations, all pursuant to the provisions of the Indenture and this Forty-fourth Supplemental Indenture, to the Person or Persons specified to the Trustee in writing by the Depository in the aggregate principal amount of the Global Security or Securities and in exchange for such Global Security or Securities.

(e) If at any time the Depository notifies the Company that it is unwilling or unable to continue as Depository for the Bonds, or if at any time the Depository shall no longer be

registered as a clearing agency in good standing under the Exchange Act or other applicable statute or regulation, the Company may appoint a successor Depository with respect to the Bonds. If a successor Depository for the Bonds is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive certificated Bonds, will authenticate and deliver Bonds in definitive certificated form, in any authorized denominations, all pursuant to the provisions of the Indenture and this Forty-fourth Supplemental Indenture, to the Person or Persons specified to the Trustee in writing by the Depository in the aggregate principal amount of the Global Security or Global Securities and in exchange for such Global Security or Global Securities.

(f) The Company may at any time and in its sole discretion and subject to the procedures of the Depository determine that the Bonds shall no longer be represented by a Global Security or Global Securities. In such event the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive certificated Bonds, will authenticate and deliver such Bonds in definitive certificated form, in any authorized denominations, all pursuant to the provisions of the Indenture and this Forty-fourth Supplemental Indenture, to the Person or Persons specified to the Trustee in writing by the Depository in the aggregate principal amount of the Global Security or Global Securities and in exchange for such Global Security or Global Securities.

(g) Upon the exchange of any Global Security for the Bonds in definitive certificated form, in authorized denominations, the related Global Security or Global Securities shall be cancelled by the Trustee.

(h) Whenever the Depository requests the Company and the Trustee to do so, the Trustee and the Company will cooperate with the Depository in taking appropriate action after reasonable notice to (i) make available one or more separate Global Securities evidencing the Bonds to any Participant having the Bonds credited to its account at the Depository, or (ii) arrange for another Depository to maintain custody of the Global Security or Securities evidencing the Bonds.

(i) In connection with any notice or other communication to be provided to Holders of the Bonds pursuant to the Indenture or this Forty-fourth Supplemental Indenture by the Company or the Trustee with respect to any consent or other action to be taken by Holders of the Bonds, the Company or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Such notice to the Depository shall be given only so long as a Depository or its nominee is the sole Holder of the Bonds.

SECTION 2.04. DATE OF BONDS.

Each Bond issued prior to the first Interest Payment Date therefor shall be dated as of June 23, 2016, and otherwise shall be dated as provided in Section 3.03 of the Indenture.

SECTION 2.05. MATURITY DATE, INTEREST RATE, INTEREST PAYMENT DATES AND REGULAR RECORD DATES FOR THE BONDS.

(a) The Bonds shall be due and payable on June 15, 2046, and shall bear interest from June 23, 2016 or the last date to which interest has been paid or duly provided for at the rate of 3.70% per annum, payable semi-annually on the fifteenth day of June and December in each year, commencing December 15, 2016 (each such date being an Interest Payment Date for the Bonds). In the event that any Interest Payment Date for the Bonds should fall on a day that is not a Business Day, then the interest payment shall be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such Interest Payment Date.

(b) Subject to certain exceptions provided in the Indenture or this Forty-fourth Supplemental Indenture, the interest payable on any Interest Payment Date for the Bonds shall be paid to the Person in whose name the Bonds shall be registered at the close of business on the Regular Record Date for the Bonds (as defined in the form of the Bonds set forth in Section 2.10) or, in the case of any Defaulted Interest therefor, in the manner and to the Person as provided in Section 3.07 of the Indenture.

SECTION 2.06. PLACE AND MANNER OF PAYMENT OF BONDS.

Subject to agreements with or the rules of the Depository or any successor book-entry security system or similar system with respect to Global Securities, the principal or Redemption Price (if any) of and interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, at the office or agency of the Company in Cincinnati, Ohio, or, at the option of the Holder thereof, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, except that interest on the Bonds may be paid, at the option of the Company, by check or draft mailed to the address of the Person entitled thereto as it appears on the Security Register.

SECTION 2.07. DENOMINATIONS AND NUMBERING OF DEFINITIVE BONDS.

Definitive Bonds shall be issuable in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof, numbered in each case consecutively from "R-1" upward.

SECTION 2.08. TEMPORARY BONDS AND EXCHANGE THEREOF.

Pursuant to the provisions of Section 3.04 of the Indenture, the Bonds may be issued in temporary form, and if temporary bonds be issued, the Company shall, with all reasonable

dispatch, at its own expense and without charge to the holders of the temporary bonds, prepare and execute definitive Bonds and exchange the temporary bonds for such definitive bonds in the manner provided for in said Section, provided, however, no presentation or surrender of temporary Bonds shall be necessary in order for the Holders entitled to interest thereon to receive such interest.

SECTION 2.09. REDEMPTION PROVISIONS OF THE BONDS.

(a) The Bonds.

(i) At any time before December 15, 2045 (the "Par Call Date"), the Bonds may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to the greater of (1) 100% of the principal amount of the Bonds being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds being redeemed that would be due if the Bonds matured on the Par Call Date (exclusive of interest accrued to the Redemption Date), discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 0.20% (20 basis points), plus, in each case, accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, the Redemption Date. For the avoidance of doubt, interest that is due and payable on an Interest Payment Date for the Bonds falling on or prior to a Redemption Date therefor will be payable on such Interest Payment Date in accordance with the Bonds and the Indenture. The Company shall notify the Trustee of the Redemption Price with respect to any redemption pursuant to this paragraph promptly after the calculation thereof. The Trustee shall not be responsible for calculating said Redemption Price.

At any time on or after the Par Call Date, the Bonds may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to 100% of the principal amount of the Bonds being redeemed plus accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, the Redemption Date.

(ii) For purposes of this Section 2.09(a), except as otherwise expressly provided or unless the context otherwise requires:

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Bonds being redeemed (assuming, for this purpose, that the Bonds matured on the Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the Bonds.

“Comparable Treasury Price” means, with respect to any Redemption Date for the Bonds, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such quotations.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of Citigroup Global Markets, Inc., a Primary Treasury Dealer (as defined below) selected by Leberthal & Co., LLC, a Primary Treasury Dealer selected by Loop Capital Markets LLC, a Primary Treasury Dealer selected by Mischler Financial Group, Inc., a Primary Treasury Dealer selected by Samuel A. Ramirez & Company, Inc., and a Primary Treasury Dealer selected by The Williams Capital Group, L.P., or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

(iii) Notice of any redemption by the Company will be mailed by or at the direction of the Company at least thirty (30) days but not more than sixty (60) days before any Redemption Date to each Holder of the Bonds to be redeemed. If less than all the Bonds are to be redeemed at the option of the Company, the Bonds, if they are in global form, will be redeemed in accordance with the procedures of DTC, and if they are in the form of definitive certificates, the Trustee shall select, in such manner as it shall deem fair and appropriate, the Bonds to be redeemed in whole or in part.

(iv) Unless the Company defaults in payment of the Redemption Price therefor, on and after any Redemption Date therefor, interest will cease to accrue on the Bonds or portions thereof called for redemption.

(b) The Company shall indemnify and hold harmless the Trustee from any and all losses, costs, damages, expenses, fees (including reasonable attorneys' fees), court costs, judgments, penalties, obligations, suits, disbursements and liabilities of any kind or character whatsoever which may at any time be imposed upon, incurred by or asserted against the Trustee by reason of or arising out of or caused, directly or indirectly, by any act or omission of the Trustee with respect to this Section 2.09, except for such that would arise out of the gross negligence, willful misconduct or bad faith of the Trustee and except for costs and expenses arising in the ordinary course of the Trustee's business.

SECTION 2.10. FORM OF THE BONDS.

The Bonds and the Trustee's certificate to be endorsed thereon shall be substantially in the following form:

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

(FORM OF BOND)

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered holder hereof, Cede & Co., has an interest herein.](1)

No. R-
CUSIP No: 26442EAE0
ISIN: US26442EAE05

\$

DUKE ENERGY OHIO, INC.
FIRST MORTGAGE BOND, 3.70% SERIES,
DUE JUNE 15, 2046

Duke Energy Ohio, Inc., an Ohio corporation (hereinafter called the "Company"), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$) on the fifteenth day of June, 2046 and to pay interest on said sum from June 23, 2016 or from the most recent date to which interest has been paid or duly provided for, until said principal sum is paid or made available for payment, at the rate of 3.70% per annum, payable semi-annually on the fifteenth day of June and December in each year, commencing December 15, 2016 (each such date herein called an "Interest Payment Date"). The principal of and premium, if any, and interest on this bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts at the office or agency of the Company in Cincinnati, Ohio, or, at the option of the registered owner hereof, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, except that interest on this bond may be paid, at the option of the Company, by check or draft mailed to the address of the Person entitled thereto as it appears on the Security Register.

This bond is one of the Securities of the Company issued and to be issued from time to time under and in accordance with and all secured by a First Mortgage Indenture, dated as of August 1, 1936, from the Company to The Bank of New York Mellon Trust Company, N.A., as successor Trustee (which indenture as amended, restated and supplemented by all supplemental indentures is hereinafter referred to as the "Indenture"). Said Trustee or its successor in trust under the Indenture is hereinafter sometimes referred to as the "Trustee." Reference is hereby made to the Indenture for a description of the property mortgaged and pledged and the nature and extent of the security for said Securities. By the terms of the Indenture, the Securities secured

(1) This should be included only if the Bonds are being issued in global form.

thereby are issuable in series which may vary as to date, amount, date of maturity, rate of interest and in other respects as in the Indenture provided.

As used herein, "Business Day" means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in New York, New York or Cincinnati, Ohio are generally authorized or required by law, regulation or executive order to remain closed. Capitalized terms not otherwise defined herein have the meanings specified therefor in the Indenture.

This bond is one of a series designated as "First Mortgage Bonds, 3.70% Series, Due June 15, 2046" (hereinafter referred to as the "Bonds") of the Company issued under and secured by the Indenture and created by a Forty-fourth Supplemental Indenture, dated as of June 23, 2016.

Subject to certain exceptions provided in the Indenture, the interest payable on any Interest Payment Date shall be paid to the Person in whose name this bond shall be registered at the close of business on the Regular Record Date (hereinafter defined) or, in the case of Defaulted Interest therefor, in the manner and to the person as provided in the Indenture. If any Interest Payment Date should fall on a day that is not a Business Day, then the interest payment shall be made on the next succeeding Business Day and no interest shall accrue for the intervening period with respect to the payment so deferred.

The term "Regular Record Date" shall mean, with respect to any Interest Payment Date for any Bonds, the close of business on the fifteenth (15th) calendar day next preceding the respective Interest Payment Date (whether or not a Business Day); provided, however, that so long as the Bonds are held by a Depository in the form of one or more Global Securities, the Regular Record Date with respect to each Interest Payment Date will be the close of business on the Business Day before the applicable Interest Payment Date.

At any time before December 15, 2045 (the "Par Call Date"), the Bonds may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to the greater of (1) 100% of the principal amount of the Bonds being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds being redeemed that would be due if the Bonds matured on the Par Call Date (exclusive of interest accrued to the Redemption Date), discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 0.20% (20 basis points), plus, in the case of each of clause (1) and (2), accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, the Redemption Date. For the avoidance of doubt, interest that is due and payable on an Interest Payment Date falling on or prior to a Redemption Date therefor will be payable on such Interest Payment Date in accordance with the Bonds and the Indenture.

At any time on or after the Par Call Date, the Bonds may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to 100% of the principal

amount of the Bonds being redeemed plus accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, the Redemption Date.

For purposes of the redemption provisions of the Bonds, the following terms have the following meanings:

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Bonds being redeemed (assuming, for this purpose, that the Bonds matured on the Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the Bonds.

“Comparable Treasury Price” means, with respect to any Redemption Date for the Bonds, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such quotations.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of Citigroup Global Markets, Inc., a Primary Treasury Dealer (as defined below) selected by Lebenthal & Co., LLC, a Primary Treasury Dealer selected by Loop Capital Markets LLC, a Primary Treasury Dealer selected by Mischler Financial Group, Inc., a Primary Treasury Dealer selected by Samuel A. Ramirez & Company, Inc., and a Primary Treasury Dealer selected by The Williams Capital Group, L.P., or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

Notice of any redemption by the Company will be mailed or transmitted by or at the request of the Company at least thirty (30) days but not more than sixty (60) days before any Redemption Date to each Holder of Bonds to be redeemed. If less than all the Bonds are to be redeemed at the option of the Company, the Bonds, if they are in global form, will be redeemed in accordance with the procedures of DTC, and if they are in the form of definitive certificates, the Trustee shall select, in such manner as it shall deem fair and appropriate, the Bonds to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date for the Bonds, interest will cease to accrue on the Bonds or portions thereof called for redemption.

In the case of any of certain Events of Default specified in the Indenture, the principal of this bond may be declared or may become due and payable prior to the stated date of maturity hereof in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal or Redemption Price or of interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, shareholder, officer or director, past, present or future, of the Company or of any predecessor or successor company, either directly or through the Company or such predecessor or successor company, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, shareholders, directors and officers being waived and released by the registered owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture.

The Bonds are issuable only in registered form without coupons. This bond is transferable by the registered owner hereof, in person or by an attorney duly authorized, at the Corporate Trust Office of The Bank of New York Mellon Trust Company, N.A., the Trustee, or its successor in trust under the Indenture, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, upon the surrender and cancellation of this bond, and upon any such transfer a new registered Security or Securities of the same series and maturity date and for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Bonds are issuable in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. In the manner and subject to the limitations provided in the Indenture, the Bonds

are exchangeable as between authorized denominations, upon presentation thereof for such purpose by the registered owner, at the Corporate Trust Office of The Bank of New York Mellon Trust Company, N.A., the Trustee, or its successor in trust under the Indenture, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York.

No service charge will be made for any transfer or exchange of this bond, but the Company may require a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

This bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee, or its successor in trust under the Indenture, of the certificate endorsed hereon.

IN WITNESS WHEREOF, Duke Energy Ohio, Inc. has caused this bond to be executed in its name by the manual or facsimile signature of an Authorized Officer.

DUKE ENERGY OHIO, INC.

By _____
Authorized Signatory

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS
TRUSTEE

By _____
Authorized Signatory

Dated:

[END OF ARTICLE TWO.]

ARTICLE THREE.

MISCELLANEOUS

SECTION 3.01. INDENTURE RATIFIED AND CONFIRMED.

The Indenture, as supplemented by this Forty-fourth Supplemental Indenture, is in all respects ratified and confirmed and shall be read, taken and construed as one and the same instrument.

SECTION 3.02. EXECUTION IN COUNTERPARTS

This Forty-fourth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 3.03. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings in this Forty-fourth Supplemental Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 3.04. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Forty-fourth Supplemental Indenture by the Company and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 3.05. SEPARABILITY CLAUSE.

In case any provision in this Forty-fourth Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 3.06. BENEFITS OF INDENTURE.

Nothing in this Forty-fourth Supplemental Indenture or the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of any Bonds, any benefit or any legal or equitable right, remedy or claim under this Forty-fourth Supplemental Indenture.

SECTION 3.07. GOVERNING LAW.

This Forty-fourth Supplemental Indenture and the Bonds shall be governed by and construed in accordance with the laws of the State of Ohio, except (a) to the extent that the Trust Indenture Act shall be applicable, and (b) that the rights, duties, obligations, privileges,

immunities and standard of care of the Trustee shall be governed by the laws of the State of New York.

SECTION 3.08. TRUSTEE NOT RESPONSIBLE FOR RECITALS, ETC.

The recitals contained herein are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Forty-fourth Supplemental Indenture.

[EXECUTION PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Forty-fourth Supplemental Indenture to be duly executed as of the day and year first above written.

DUKE ENERGY OHIO, INC.

By /s/ Stephen G. De May
Stephen G. De May
Senior Vice President, Tax and Treasurer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as
Trustee

By /s/ Teresa Petta
Name: Teresa Petta
Title: Vice President

STATE OF NORTH CAROLINA)
) ss:
COUNTY OF MECKLENBURG)

BE IT REMEMBERED, that on this 23rd day of June, 2016, before me, the undersigned, a notary public in and for the County and State aforesaid, duly commissioned and qualified, personally appeared Stephen G. De May, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and personally known to me to be the Senior Vice President, Tax and Treasurer of Duke Energy Ohio, Inc., an Ohio corporation, and acknowledged that he signed and delivered said instrument as his free and voluntary act as such Senior Vice President, Tax and Treasurer, and as the free and voluntary act of said Duke Energy Ohio, Inc., for the uses and purposes therein set forth; in pursuance of the power and authority granted to him by resolution of the Board of Directors of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

(NOTARIAL SEAL)

/s/ Phoebe E. Elliot
Notary Public

Name: Phoebe E. Elliot
Commission Expiration: June 26, 2016

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On June 22, 2016 before me, Alex Dominguez, Notary Public
(insert name and title of officer)

personally appeared Teresa Petta, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

/s/ Alex Dominguez

(Seal)

Exhibit 5.1

DUKE ENERGY BUSINESS SERVICES, LLC
526 South Church Street
Charlotte, North Carolina 28202

June 23, 2016

Duke Energy Ohio, Inc.
139 East Fourth Street
Cincinnati, Ohio 45202

Re: Duke Energy Ohio, Inc. \$250,000,000 aggregate principal amount of First Mortgage Bonds, 3.70% Series, Due June 15, 2046

Ladies and Gentlemen:

I am Deputy General Counsel of Duke Energy Business Services, LLC, the service company affiliate of Duke Energy Ohio, Inc., an Ohio corporation (the "Company"), and in such capacity I have acted as counsel to the Company in connection with the public offering of \$250,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 3.70% Series, Due June 15, 2046 (the "Securities"), to be issued pursuant to a First Mortgage, dated as of August 1, 1936, between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented from time to time, including the amendment and restatement thereof in its entirety by the Fortieth Supplemental Indenture, dated as of March 23, 2009 (said First Mortgage, as heretofore amended, restated and supplemented, the "First Mortgage"), and which will be further supplemented by the Forty-fourth Supplemental Indenture, dated as of June 23, 2016 (the "Supplemental Indenture" and, together with the First Mortgage, the "Indenture"). On June 20, 2016, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Citigroup Global Markets Inc., Lebenthal & Co., LLC, Loop Capital Markets LLC, Mischler Financial Group, Inc., Samuel A. Ramirez & Company, Inc. and The Williams Capital Group, L.P., as representatives of the several underwriters named therein (the "Underwriters"), relating to the sale by the Company to the Underwriters of the Securities.

This opinion is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "1933 Act").

My opinion set forth herein is limited to the laws of the State of Ohio. I do not express any opinion with respect to the laws of any other jurisdiction, or as to the effect thereof on the opinion herein stated. In rendering the opinion set forth herein, with respect to matters of Ohio law, I have relied on the opinion of George Dwight, Esq., Deputy General Counsel of Duke Energy Business Services, LLC, the service company affiliate of the Company, attached hereto as Annex I.

In connection with this opinion, I or attorneys under my supervision (with whom I have consulted) have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of:

- (a) the registration statement on Form S-3 (File No. 333-191462-02) of the Company filed on September 30, 2013, with the Securities and Exchange Commission (the "Commission") under the 1933 Act, allowing for delayed offerings pursuant to Rule 415 under the 1933 Act, the information deemed to be a part of such registration statement as of the date hereof pursuant to Rule 430B of the rules and regulations under the 1933 Act (the "1933 Act Regulations") and the information incorporated or deemed to be incorporated by reference in such registration statement pursuant to Item 12 of Form S-3 under the 1933 Act (such registration statement being hereinafter referred to as the "Registration Statement");
 - (b) the prospectus, dated September 30, 2013, including the information incorporated or deemed to be incorporated by reference therein (the "Base Prospectus"), which forms a part of and is included in
-

the Registration Statement in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations;

- (c) the preliminary prospectus supplement, dated June 20, 2016, including the information incorporated or deemed to be incorporated by reference therein (the "Preliminary Prospectus Supplement"), relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations;
- (d) the prospectus supplement, dated June 20, 2016, including the information incorporated or deemed to be incorporated by reference therein (the "Prospectus Supplement"), relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations (the Prospectus Supplement, together with the Base Prospectus, are collectively referred to herein as the "Prospectus");
- (e) the Issuer Free Writing Prospectus issued at or prior to the Applicable Time, attached as Schedule C to the Underwriting Agreement and filed with the Commission pursuant to Rule 433(d) of the 1933 Act Regulations and Section 5(e) of the Underwriting Agreement (the Base Prospectus, the Preliminary Prospectus Supplement and the Free Writing Prospectus are collectively referred to herein as the "Pricing Disclosure Package");
- (f) an executed copy of the Underwriting Agreement;
- (g) an executed copy of the First Mortgage;
- (h) an executed copy of the Supplemental Indenture;
- (i) a specimen of the Securities;
- (j) the Amended Articles of Consolidation of the Company, effective October 1, 2006;
- (k) the Regulations of the Company, as amended on July 23, 2003;
- (l) the Action by Written Consent of the Board of Directors of the Company, effective September 20, 2013, relating to the preparation and filing with the Commission of the Registration Statement and the issuance of the Company's securities (the "Board Consent"), and the Written Consent of the Assistant Treasurer of the Company, effective June 20, 2016, establishing the terms of the Securities pursuant to authority granted in the Board Consent;
- (m) the Order entered on June 8, 2016 by The Public Utilities Commission of Ohio in Case No. 16-637-GE-AIS wherein, among other things, the Company secured the necessary authorizations and approvals of said Commission in respect of the issuance of the Securities;
- (n) a Certificate of Assistant Corporate Secretary of the Company, dated June 23, 2016, with respect to signatures and incumbency of officers of the Company, and other corporate matters; and
- (o) an Officers' Certificate of the Company, dated June 23, 2016, pursuant to Section 6(i) of the Underwriting Agreement.

I or attorneys under my supervision (with whom I have consulted) have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements and certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as I or attorneys under my supervision (with whom I have consulted) have deemed necessary or appropriate as a basis for the opinions set forth below.

In my examination, I or attorneys under my supervision (with whom I have consulted) have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as facsimile, electronic, certified or photostatic copies, and the authenticity of such copies. In making my examination of executed documents, I have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and I have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery by such parties of such documents and, except to the extent expressly set forth below, the validity and binding effect thereof on such parties. As to any facts material to the opinions expressed herein which were not independently established or verified, I or attorneys under my supervision (with whom I have consulted) have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

The opinion set forth below is subject to the following further qualifications, assumptions and limitations:

- (i) the validity or enforcement of any agreements or instruments may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and
- (ii) I do not express any opinion as to the applicability or effect of any fraudulent transfer, preference or similar law on any agreements or instruments or any transactions contemplated thereby.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that the Securities have been duly authorized and executed by the Company, and that when duly authenticated by the Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Underwriting Agreement and the Indenture, the Securities will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms.

I hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement through incorporation by reference of a current report on Form 8-K. I also consent to the reference to my name under the heading "Legal Matters" in the Prospectus Supplement. In giving this consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the 1933 Act or the Rules and Regulations of the Commission promulgated thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated, and I disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable laws.

Very truly yours,

/s/ Robert T. Lucas III
Robert T. Lucas III

Annex I

DUKE ENERGY BUSINESS SERVICES, LLC
526 South Church Street
Charlotte, North Carolina 28202

June 23, 2016

Robert T. Lucas III, Esq.
526 South Church Street
Charlotte, North Carolina 28202

Re: Duke Energy Ohio, Inc. \$250,000,000 aggregate principal amount of First Mortgage Bonds, 3.70% Series, Due June 15, 2046

Dear Mr. Lucas:

I am Deputy General Counsel of Duke Energy Business Services, LLC, the service company affiliate of Duke Energy Ohio, Inc., an Ohio Corporation (the "Company"), and in such capacity I have acted as counsel to the Company in connection with the public offering of \$250,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 3.70% Series, Due June 15, 2046 (the "Securities"), to be issued pursuant to a First Mortgage, dated as of August 1, 1936, between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented from time to time, including the amendment and restatement thereof in its entirety by the Fortieth Supplemental Indenture, dated as of March 23, 2009 (said First Mortgage, as heretofore amended, restated and supplemented, the "First Mortgage"), and which will be further supplemented by the Forty-fourth Supplemental Indenture, dated as of June 23, 2016 (the "Supplemental Indenture" and, together with the First Mortgage, the "Indenture"). On June 20, 2016, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Citigroup Global Markets Inc., Leberthal & Co., LLC, Loop Capital Markets LLC, Mischler Financial Group, Inc., Samuel A. Ramirez & Company, Inc. and The Williams Capital Group, L.P., as representatives of the several underwriters named therein (the "Underwriters"), relating to the sale by the Company to the Underwriters of the Securities.

This opinion is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "1933 Act").

I am a member of the bar of the State of Ohio and my opinion set forth herein is limited to the laws of the State of Ohio. I do not express any opinion with respect to the laws of any other jurisdiction, or as to the effect thereof on the opinion herein stated.

In connection with this opinion, I or attorneys under my supervision (with whom I have consulted) have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of:

- (a) the registration statement on Form S-3 (File No. 333-191462-02) of the Company filed on September 30, 2013, with the Securities and Exchange Commission (the "Commission") under the 1933 Act, allowing for delayed offerings pursuant to Rule 415 under the 1933 Act, the information deemed to be a part of such registration statement as of the date hereof pursuant to Rule 430B of the rules and regulations under the 1933 Act (the "1933 Act Regulations") and the information incorporated or deemed to be incorporated by reference in such registration statement pursuant to Item 12 of Form S-3 under the 1933 Act (such registration statement being hereinafter referred to as the "Registration Statement");
 - (b) the prospectus, dated September 30, 2013, including the information incorporated or deemed to be incorporated by reference therein (the "Base Prospectus"), which forms a part of and is included in
-

the Registration Statement in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations;

- (c) the preliminary prospectus supplement, dated June 20, 2016, including the information incorporated or deemed to be incorporated by reference therein (the "Preliminary Prospectus Supplement"), relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations;
- (d) the prospectus supplement, dated June 20, 2016, including the information incorporated or deemed to be incorporated by reference therein (the "Prospectus Supplement"), relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations (the Prospectus Supplement, together with the Base Prospectus, are collectively referred to herein as the "Prospectus");
- (e) the Issuer Free Writing Prospectus issued at or prior to the Applicable Time, attached as Schedule C to the Underwriting Agreement and filed with the Commission pursuant to Rule 433(d) of the 1933 Act Regulations and Section 5(e) of the Underwriting Agreement (the Base Prospectus, the Preliminary Prospectus Supplement and the Free Writing Prospectus are collectively referred to herein as the "Pricing Disclosure Package");
- (f) an executed copy of the Underwriting Agreement;
- (g) an executed copy of the First Mortgage;
- (h) an executed copy of the Supplemental Indenture;
- (i) a specimen of the Securities;
- (j) the Amended Articles of Consolidation of the Company, effective October 1, 2006;
- (k) the Regulations of the Company, as amended on July 23, 2003;
- (l) the Action by Written Consent of the Board of Directors of the Company, effective September 20, 2013, relating to the preparation and filing with the Commission of the Registration Statement and the issuance of the Company's securities (the "Board Consent"), and the Written Consent of the Assistant Treasurer of the Company, effective June 20, 2016, establishing the terms of the Securities pursuant to authority granted in the Board Consent;
- (m) the Order entered on June 8, 2016 by The Public Utilities Commission of Ohio in Case No. 16-637-GE-AIS wherein, among other things, the Company secured the necessary authorizations and approvals of said Commission in respect of the issuance of the Securities;
- (n) a Certificate of Assistant Corporate Secretary of the Company, dated June 23, 2016, with respect to signatures and incumbency of officers of the Company, and other corporate matters; and
- (o) an Officers' Certificate of the Company, dated June 23, 2016, pursuant to Section 6(i) of the Underwriting Agreement.

I or attorneys under my supervision (with whom I have consulted) have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements and certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as I or attorneys under my supervision (with whom I have consulted) have deemed necessary or appropriate as a basis for the opinions set forth below.

In my examination, I or attorneys under my supervision (with whom I have consulted) have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as facsimile, electronic, certified or photostatic copies, and the authenticity of such copies. In making my examination of executed documents, I have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and I have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery by such parties of such documents and, except to the extent expressly set forth below, the validity and binding effect thereof on such parties. As to any facts material to the opinions expressed herein which were not independently established or verified, I or attorneys under my supervision (with whom I have consulted) have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

The opinion set forth below is subject to the following further qualifications, assumptions and limitations:

- (i) the validity or enforcement of any agreements or instruments may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and
- (ii) I do not express any opinion as to the applicability or effect of any fraudulent transfer, preference or similar law on any agreements or instruments or any transactions contemplated thereby.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that the Securities have been duly authorized and executed by the Company, and that when duly authenticated by the Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Underwriting Agreement and the Indenture, the Securities will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms.

This opinion is furnished for your benefit in connection with your rendering an opinion to the Company to be filed as an exhibit to the Registration Statement through incorporation by reference of a current report on Form 8-K, and I hereby consent to your attaching this opinion as an annex to such opinion. In giving this consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the 1933 Act or the Rules and Regulations of the Commission promulgated thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated, and I disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable laws.

Very truly yours,

/s/ George Dwight
George Dwight, Esq.

Exhibit 99.1

EXECUTION VERSION

DUKE ENERGY OHIO, INC.

\$250,000,000 FIRST MORTGAGE BONDS,
3.70% SERIES, DUE June 15, 2046

UNDERWRITING AGREEMENT

June 20, 2016

CITIGROUP GLOBAL MARKETS INC.
LEBENTHAL & CO., LLC
LOOP CAPITAL MARKETS LLC
MISCHLER FINANCIAL GROUP, INC.
SAMUEL A. RAMIREZ & COMPANY, INC.
THE WILLIAMS CAPITAL GROUP, L.P.

As Representatives of the several Underwriters

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, NY 10013

Ladies and Gentlemen:

1. *Introductory.* DUKE ENERGY OHIO, INC., an Ohio corporation (the “Company”), proposes, subject to the terms and conditions stated herein, to issue and sell \$250,000,000 aggregate principal amount of First Mortgage Bonds, 3.70% Series, Due June 15, 2046 (the “Bonds”). The Bonds will be issued under and secured by a First Mortgage dated as of August 1, 1936 (the “Original Mortgage”), between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), as supplemented and amended from time to time, which was amended and restated in its entirety by a Fortieth Supplemental Indenture, dated as of March 23, 2009 (the “Fortieth Supplemental Indenture”), and which will be further amended and supplemented by the Forty-Fourth Supplemental Indenture, to be dated as of June 23, 2016 (the “Supplemental Indenture” and together with the Original Mortgage (as supplemented, amended and restated) the “Indenture”). Citigroup Global Markets Inc., Lebenthal & Co., LLC, Loop Capital Markets LLC, Mischler Financial Group, Inc., Samuel A. Ramirez & Company, Inc. and The Williams Capital Group, L.P. (the “Representatives”) are acting as representatives of the several underwriters named on Schedule A hereto (together with the Representatives, the “Underwriters”).

2. *Representations and Warranties of the Company.* As of the date hereof, as of the Applicable Time (as defined below) and as of the Closing Date (as defined below), the Company represents and warrants to, and agrees with, the several Underwriters that:

- (a) A registration statement (No. 333-191462-02), including a prospectus, relating to the Bonds and certain other securities has been filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"); such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, became effective upon filing with the Commission pursuant to Rule 462 of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations"). The base prospectus filed as part of such registration statement, as amended and supplemented immediately prior to the Applicable Time, is hereinafter called the "Base Prospectus"; the preliminary prospectus supplement specifically relating to the Bonds immediately prior to the Applicable Time filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations is hereinafter called the "Preliminary Prospectus"; the various parts of such registration statement, including all exhibits thereto and including the prospectus supplement relating to the Bonds that is filed with the Commission and deemed by virtue of Rule 430B of the 1933 Act Regulations to be part of such registration statement, each as amended at the time such part of the registration statement became effective, are hereinafter collectively called the "Registration Statement"; the form of the final prospectus relating to the Bonds filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations in accordance with Section 5(a) hereof is hereinafter called the "Prospectus" and any information included in such Prospectus that was omitted from the Registration Statement at the time it became effective but that is deemed to be a part of and included in the Registration Statement pursuant to Rule 430B is referred to as "Rule 430B Information"; any reference herein to the Base Prospectus, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, as of the date of such prospectus; any reference to any amendment or supplement to the Base Prospectus, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any post-effective amendment to the Registration Statement, the prospectus supplement relating to the Bonds filed with the Commission pursuant to Rule 424(b) under the 1933 Act and any documents filed under the Securities Exchange Act of 1934, as amended (the "1934 Act"), and incorporated therein, in each case after the date of the Base Prospectus, the Preliminary Prospectus or the Prospectus, as the case may be; any reference to any amendment to the Registration Statement shall be deemed to include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the 1934 Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement. For purposes of this Agreement, the term "Applicable Time" means 4:45 p.m. (New York City Time) on the date hereof.
- (b) No stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the 1933 Act has been initiated or threatened by the Commission.
- (c) The Registration Statement, the Base Prospectus, the document or documents specified in Item 3 of Schedule B hereto (such document or documents, the

“Permitted Free Writing Prospectus”), the Preliminary Prospectus and the Prospectus conform or will conform, and any amendments or supplements thereto will conform, in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations; the Registration Statement as of its original effective date, at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations and at the Closing Date (as defined in Section 3), did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus and any amendment or supplement thereto, at the time the Prospectus or any such amendment or supplement is issued and at the Closing Date, will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Base Prospectus, the Preliminary Prospectus and the Permitted Free Writing Prospectus (collectively, the “Pricing Disclosure Package”), all considered together, as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, the Company makes no representation or warranty to the Underwriters with respect to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Prospectus, the Preliminary Prospectus or the Permitted Free Writing Prospectus.

- (d) The Permitted Free Writing Prospectus specified on Schedule B hereto as of its issue date and at all subsequent times through the completion of the public offer and sale of the Bonds (or until any earlier date that the Company notifies the Underwriters as described in Section 5(f)) did not and will not include any information that conflicts with the information contained in the Registration Statement, the Base Prospectus, the Preliminary Prospectus or the Prospectus that has not been superseded or modified.
- (e) At the earliest time the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Bonds, the Company was not an “ineligible issuer” as defined in Rule 405 of the 1933 Act Regulations. The Company is, and was at the time of the initial filing of the Registration Statement, eligible to use Form S-3 under the 1933 Act.
- (f) The documents and interactive data in eXtensible Business Reporting Language (“XBRL”) incorporated or deemed to be incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, at the time they were filed or hereafter are filed with the Commission, complied or will comply, as the case may be, in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the “1934 Act Regulations”) and, when read together with the other information in the Prospectus, (a) at the time the Registration Statement became effective, (b) at the

Applicable Time and (c) on the Closing Date, did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- (g) The Company's most recent Annual Report on Form 10-K meets the conditions specified in General Instruction I(1) of the General Instructions for Form 10-K, and any Quarterly Report filed on Form 10-Q by the Company after the filing of the Company's most recent Annual Report on Form 10-K meets the conditions specified in General Instruction H(1) of the General Instructions for Form 10-Q.
- (h) The compliance by the Company with all of the provisions of this Agreement has been duly authorized by all necessary corporate action and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which any such party is bound or to which any of their respective properties or assets are subject that would have a material adverse effect on the business, financial condition or results of operations of the Company and its subsidiaries, taken as a whole; nor will such consummation result in any violation of the provisions of the Company's Amended Articles of Incorporation or Amended Articles of Consolidation (collectively, "**Articles**") or the Company's Regulations ("**Regulations**") or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their respective properties that would have a material adverse effect on the business, financial condition or results of operations of the Company and its subsidiaries, taken as a whole. No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, except for authorization by the Public Utilities Commission of Ohio ("**PUCO**") and registration of the offer and sale of the Bonds under the 1933 Act, qualification of the Indenture under the Trust Indenture Act of 1939 (the "**1939 Act**") and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters.
- (i) This Agreement has been duly authorized, executed and delivered by the Company.
- (j) The Original Mortgage and the Fortieth Supplemental Indenture have each been duly authorized, executed and delivered by the Company and duly qualified under the 1939 Act. The Supplemental Indenture, to be dated as of June 23, 2016, has been duly authorized by the Company and, when executed and delivered by the Company (assuming the due authorization, execution and delivery thereof by the Trustee), the Indenture will constitute a valid and legally binding instrument of

the Company, enforceable against the Company in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

- (k) The Bonds have been duly authorized by the Company and when executed by the Company, authenticated by the Trustee (in the manner provided in the Indenture) and delivered against payment therefor will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.
- (l) The Company (i) is a corporation duly incorporated and validly existing in good standing under the laws of the State of Ohio and (ii) is duly qualified to do business in each jurisdiction where the failure to be so qualified would materially adversely affect the ability of the Company to perform its obligations under this Agreement, the Indenture or the Bonds.
- (m) The Company's "significant subsidiary" within the meaning of Rule 1-02 of Regulation S-X under the 1933 Act is Duke Energy Kentucky, Inc.

3. *Purchase, Sale and Delivery of Bonds.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of 98.426% of the principal amount of the Bonds plus accrued interest, if any, from June 23, 2016, the respective principal amount of Bonds set forth opposite the name of each Underwriter on Schedule A hereto plus the respective principal amount of additional Bonds which each such Underwriter may become obligated to purchase pursuant to the provisions of Section 8 hereof. The Underwriters hereby also agree to reimburse the Company for expenses incurred in connection with the offering of the Bonds in an aggregate amount equal to \$312,500.

Payment of the purchase price for the Bonds to be purchased by the Underwriters and the reimbursement referred to above shall be made at the offices of Hunton & Williams LLP, 200 Park Avenue, 52nd Floor, New York, New York 10166, or at such other place as shall be mutually agreed upon by the Representatives and the Company, at 10:00 a.m., New York City time, on June 23, 2016, or such other time and date as shall be mutually agreed upon in writing by the Representatives and the Company (the "Closing Date"). All other documents referred to herein that are to be delivered at the Closing Date shall be delivered at that time at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019. Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery of the Bonds, in fully registered form, to the Representatives for the respective accounts of the Underwriters. The Bonds shall be delivered in the form of one or more global certificates in aggregate denomination equal to the aggregate principal amount of

the Bonds upon original issuance, and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC").

4. *Offering by the Underwriters.* It is understood that the several Underwriters propose to offer the Bonds for sale to the public as set forth in the Pricing Disclosure Package and the Prospectus.

5. *Covenants of the Company.* The Company covenants and agrees with the several Underwriters that:

- (a) The Company will cause the Preliminary Prospectus and the Prospectus to be filed pursuant to and in compliance with Rule 424(b) of the 1933 Act Regulations; the Company will advise the Underwriters promptly of (x) the filing of any amendment or supplement to the Registration Statement, the Base Prospectus, the Preliminary Prospectus or the Prospectus, and (y) the institution by the Commission of any stop order proceedings in respect of the Registration Statement. The Company will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.
- (b) If at any time when a prospectus relating to the Bonds (or the notice referred to in Rule 173(a) of the 1933 Act Regulations) is required to be delivered under the 1933 Act any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Pricing Disclosure Package or the Prospectus to comply with the 1933 Act, the Company promptly will prepare and file with the Commission an amendment, a supplement or an appropriate document pursuant to Section 13 or 14 of the 1934 Act which will correct such statement or omission or which will effect such compliance.
- (c) The Company, during the period when a prospectus relating to the Bonds is required to be delivered under the 1933 Act, will timely file all documents required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act.
- (d) Without the prior consent of the Underwriters, the Company has not made and will not make any offer relating to the Bonds that would constitute a "free writing prospectus" as defined in Rule 405 of the 1933 Act Regulations, other than the Permitted Free Writing Prospectus; each Underwriter, severally and not jointly, represents and agrees that, without the prior consent of the Company, it has not made and will not make any offer relating to the Bonds that would constitute a "free writing prospectus" as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus or a free writing prospectus that is not required to be filed by the Company pursuant to Rule 433 of the 1933 Act Regulations ("Rule 433"); any such free writing prospectus (which shall include the pricing term sheet discussed in Section 5(e) below), the use of which has been

consented to by the Company and the Underwriters, is specified in Item 3 of Schedule B hereto. The Company represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping.

- (e) The Company agrees to prepare a pricing term sheet specifying the terms of the Bonds not contained in the Preliminary Prospectus, substantially in the form of Schedule C hereto and approved by the Representatives on behalf of the Underwriters, and to file such pricing term sheet as an "issuer free writing prospectus" pursuant to Rule 433 prior to the close of business two business days after the date hereof.
- (f) The Company agrees that if at any time following the issuance of a Permitted Free Writing Prospectus any event occurs as a result of which such Permitted Free Writing Prospectus would conflict with the information (not superseded or modified) in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Underwriters and, if requested by the Underwriters, will prepare and furnish without charge to each Underwriter a free writing prospectus or other document, the use of which has been consented to by the Underwriters, which will correct such conflict, statement or omission; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Pricing Disclosure Package or the Prospectus.
- (g) The Company will timely make generally available to its securityholders as soon as practicable an earnings statement for the purposes of the last paragraph of Section 11(a) of the 1933 Act.
- (h) The Company will furnish to you, without charge, copies of the Registration Statement (three of which will include all exhibits other than those incorporated by reference), the Pricing Disclosure Package and the Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as you reasonably request.
- (i) The Company will arrange or cooperate in arrangements for the qualification of the Bonds for sale under the laws of such jurisdictions as you designate and will continue such qualifications in effect so long as required for the distribution; provided, however, that the Company shall not be required to qualify as a foreign corporation or to file any general consent to service of process under the laws of any state where it is not now so subject.

- (j) The Company will pay all expenses incident to the performance of its obligations under this Agreement including (i) the printing and filing of the Registration Statement and the printing of this Agreement and any Blue Sky Survey, (ii) the preparation and printing of certificates for the Bonds, (iii) the issuance and delivery of the Bonds as specified herein, (iv) the fees and disbursements of counsel for the Underwriters in connection with the qualification of the Bonds under the securities laws of any jurisdiction in accordance with the provisions of Section 5(i) and in connection with the preparation of the Blue Sky Survey (such fees not to exceed \$5,000), (v) the printing and delivery to the Underwriters, in quantities as hereinabove referred to, of copies of the Registration Statement and any amendments thereto, of the Preliminary Prospectus, of the Prospectus, of any Permitted Free Writing Prospectus and any amendments or supplements thereto, (vi) any fees charged by independent rating agencies for rating the Bonds, (vii) any fees and expenses in connection with the listing of the Bonds on the New York Stock Exchange, (viii) any filing fee required by the Financial Industry Regulatory Authority, (ix) the costs of any depository arrangements for the Bonds with DTC or any successor depository and (x) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Bonds, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the Underwriters and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show; provided, however, the Underwriters shall reimburse a portion of the costs and expenses referred to in this clause (x).

6. *Conditions of the Obligations of the Underwriters.* The obligations of the several Underwriters to purchase and pay for the Bonds will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of officers of the Company made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

- (a) The Prospectus shall have been filed by the Company with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the 1933 Act Regulations, and each Permitted Free Writing Prospectus shall have been filed by the Company with the Commission pursuant to Rule 433 within the applicable time period prescribed for such filing by the 1933 Act Regulations (to the extent so required).
- (b) On or after the Applicable Time and prior to the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the 1933 Act shall have been instituted or, to the knowledge of the Company or you, shall be threatened by the Commission.

- (c) On or after the Applicable Time and prior to the Closing Date, the rating assigned by Moody's Investors Service, Inc., Standard & Poor's Ratings Services or Fitch Ratings Inc. (or any of their successors) to any debt securities or preferred stock of the Company as of the date of this Agreement shall not have been lowered.
- (d) Since the respective most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus and up to the Closing Date, there shall not have been any material adverse change in the condition of the Company and its subsidiaries, taken as a whole, financial or otherwise, except as reflected in or contemplated by the Pricing Disclosure Package and the Prospectus, and since such dates and up to the Closing Date, there shall not have been any material transaction entered into by the Company other than transactions contemplated by the Pricing Disclosure Package and the Prospectus and transactions in the ordinary course of business, the effect of which in your reasonable judgment is so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Pricing Disclosure Package and the Prospectus.
- (e) You shall have received an opinion of Richard G. Beach, Esq., Associate General Counsel of Duke Energy Business Services, LLC, the service company subsidiary of Duke Energy Corporation (who in such capacity provides legal services to the Company), dated the Closing Date, to the effect that:
 - (i) The Company is a corporation duly organized and validly existing in good standing under the laws of the State of Ohio, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement.
 - (ii) The Company is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure would not, singularly or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, stockholder's equity, results of operations, business or prospects of the Company and its subsidiaries, taken as a whole, and to own and operate the properties in use in such business.
 - (iii) Each of the Company's subsidiaries is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization and has due corporate and governmental authority to carry on the business in which it is engaged, except where the failure would not, singularly or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, stockholder's equity, results of operations, business or prospects of the Company and its subsidiaries, taken as a whole, and to own and operate the properties in use in such businesses.

- (iv) The execution, delivery and performance of this Agreement, the Indenture and the Bonds and compliance by the Company with its obligations under this Agreement, the Indenture and the Bonds will not conflict with, or result in any charge or encumbrance upon any of the assets of the Company (other than pursuant to the Indenture) pursuant to the terms of, or constitute a default under, any agreement, indenture or instrument known to such counsel, or result in a violation of the Articles or Regulations of the Company (as in effect on the Closing Date) or any order, rule or regulation (also as in effect on the Closing Date) of any court or governmental agency having jurisdiction over the Company, and the issuance of the Bonds in accordance with the Indenture and the sale of the Bonds in accordance with this Agreement, do not and will not result in any violation by the Company of any of the terms or provisions of the Articles or Regulations, or of the Indenture, or any mortgage or other agreement or instrument known to such counsel by which the Company is bound.
- (v) The Indenture, including the Supplemental Indenture, is in due and proper form, has been duly and validly authorized by all necessary corporate action, has been duly executed and delivered by the Company, qualified under the 1939 Act, and, assuming due authorization, execution and delivery by the Trustee, the Indenture is a valid and binding instrument of the Company, enforceable in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.
- (vi) The issue of the Bonds by the Company in accordance with the terms of the Indenture has been duly authorized by all necessary corporate action; when duly executed by the Company, authenticated by the Trustee and delivered to and paid for by the Underwriters pursuant to this Agreement, the Bonds will constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, secured by the lien of and entitled to the benefits provided by the Indenture, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.
- (vii) The Company has good and marketable title to the properties, rights and assets described in and conveyed by the Indenture and not released by the Trustee from the lien thereof prior to the time of delivery of the Bonds, subject only to the lien of the Indenture and to "permitted liens" as defined in the Indenture; the description in the Indenture of such properties, rights and assets is adequate to constitute the Indenture a lien thereon; the Indenture complies with all applicable laws of the State of Ohio (wherein

the properties subjected or intended to be subject to the lien of the Indenture are located), including all applicable recording laws, and, subject only to the matters referred to above, constitutes a valid and direct first lien on such properties, rights and assets, which include substantially all of the Company's tangible electric transmission and distribution utility property located in Ohio, together with the Company's recorded easements and rights of way, franchises, licenses, permits, grants, immunities, privileges and rights that are used or useful in the operation of such property; and all tangible electric transmission and distribution utility property located in Ohio acquired by the Company subsequent to the time of issuance of the Bonds will be subject to the lien of the Indenture, subject, however, to "permitted liens" as defined in the Indenture.

- (viii) The Indenture, other than the Supplemental Indenture, has been duly filed for record in such manner and in such places as are required by law in order to give constructive notice of, and to establish, preserve and protect the lien of, the Indenture on all property of the Company of every kind referred to in the Indenture as subject to the lien thereof.
- (ix) Except as referred to in the Pricing Disclosure Package and the Prospectus, there is no action, suit or proceeding, inquiry or investigation, at law or in equity or before or by any court, public board or body, pending or, to such counsel's knowledge, threatened against or affecting the Company, wherein an unfavorable decision, ruling or finding would (i) materially and adversely affect the condition (financial or otherwise), results of operations, business or properties of the Company or (ii) materially and adversely affect the transactions contemplated by this Agreement, or which would adversely affect the validity or enforceability of the Indenture or the Bonds. The descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and such counsel does not know of any litigation or any legal or governmental proceeding instituted or threatened against the Company or any of its properties that would be required to be disclosed in the Registration Statement, the Pricing Disclosure Package or the Prospectus and is not so disclosed.
- (x) An order of the PUCO relating to the issuance of the Bonds has been duly entered and, to such counsel's knowledge, has not been modified or repealed in any respect and is in full force and effect. The issuance and sale of the Bonds to the Underwriters are in conformity with the terms of such order. Except as may be required under the 1933 Act or the securities or Blue Sky laws of any jurisdiction, no further consent, approval, authorization or order of, or registration or filing with, any court or governmental or public agency, authority or body is required with respect to the Company for the execution, delivery and performance of this Agreement, the Indenture or the Bonds, the issuance by the Company of

the Bonds or the consummation by the Company of the transactions contemplated by this Agreement, the Indenture or the Bonds.

- (xi) This Agreement has been duly authorized, executed and delivered by the Company.

In addition, such counsel shall state that no facts have come to such counsel's attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of its date and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express an opinion as to (i) the financial statements and other financial and accounting data included or incorporated by reference therein or excluded therefrom, including XBRL interactive data, (ii) the statement of the eligibility and qualification of the Trustee included in the Registration Statement or (iii) the information in the Prospectus Supplement under the caption "Book-Entry System."). Such counsel shall further state that, in addition, no facts have come to such counsel's attention that have caused such counsel to believe that the Pricing Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that such counsel need not express an opinion as to (i) the financial statements and other financial and accounting data included or incorporated by reference therein or excluded therefrom, including XBRL interactive data, (ii) the statement of the eligibility and qualification of the Trustee included in the Registration Statement or (iii) the information in the Prospectus Supplement under the caption "Book-Entry System.").

Such counsel shall expressly authorize the Underwriters to rely on such counsel's opinion dated the Closing Date delivered to the Trustee pursuant to the Indenture.

In rendering the foregoing opinion, such counsel may state that such counsel does not express any opinion concerning any law other than the laws of the State of Ohio and the Commonwealth of Kentucky.

- (f) You shall have received an opinion of Hunton & Williams LLP, counsel to the Company, dated the Closing Date, to the effect that:
- (i) The Supplemental Indenture has been duly authorized, executed and delivered by the Company, and assuming due authorization, execution and delivery by the Trustee, the Indenture constitutes a legal, valid and binding obligation of the Company enforceable against the Company in

accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect, and to general principals of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law).

- (ii) The Bonds have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters pursuant to this Agreement, will constitute legal, valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principals of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law).
- (iii) This Agreement has been duly authorized, executed and delivered by the Company.
- (iv) The statements set forth in the Pricing Disclosure Package and the Prospectus under the captions "Description of the Mortgage Bonds" and "Description of the First Mortgage Bonds," insofar as such statements purport to summarize certain provisions of the Indenture and the Bonds, fairly summarize such provisions in all material respects.
- (v) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "U.S. Federal Income Tax Considerations for Non-U.S. Holders," insofar as they purport to constitute summaries of matters of United States federal income tax law, constitute accurate and complete summaries, in all material respects, subject to the qualifications set forth therein.
- (vi) The Company is not, and solely after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Prospectus, will not be subject to registration and regulation as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

In rendering the foregoing opinions, such counsel may state that it has relied as to certain factual matters on information obtained from public officials, officers and representatives of the Company and has assumed that the signatures on all documents examined by it are genuine, and that such counsel has not independently verified such factual matters or assumptions. In giving their

opinion, such counsel may rely on the opinion of Richard G. Beach, Esq., as to matters of Ohio and Kentucky law.

You shall also have received a statement of Hunton & Williams LLP, dated the Closing Date, to the effect that:

- (1) no facts have come to such counsel's attention that have caused such counsel to believe that the documents filed by the Company under the 1934 Act and the 1934 Act Regulations that are incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, when filed, were not, on their face, appropriately responsive in all material respects to the requirements of the 1934 Act and the 1934 Act Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements or the Form T-1);
- (2) no facts have come to such counsel's attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time and the Prospectus, as of its date, were not, on their face, appropriately responsive in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements or the Form T-1); and
- (3) no facts have come to such counsel's attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of its date and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom including XBRL interactive data, or the statements contained in the exhibits to the Registration Statement, including the Form T-1).

Such counsel shall further state that, in addition, no facts have come to such counsel's attention that have caused such counsel to believe that the Pricing Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the

statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial information included or incorporated by reference therein or excluded therefrom including XBRL interactive data, or the statements contained in the exhibits to the Registration Statement, including the Form T-1).

In addition, such statement shall confirm that the Prospectus has been filed with the Commission within the time period required by Rule 424 of the 1933 Act Regulations and any required filing of a Permitted Free Writing Prospectus pursuant to Rule 433 of the 1933 Act Regulations has been filed with the Commission within the time period required by Rule 433(d) of the 1933 Act Regulations. Such statement shall further state that assuming the accuracy of the representations and warranties of the Company set forth in Section 2 of this Agreement, the Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations and, pursuant to Section 309 of the 1939 Act, the Indenture has been qualified under the 1939 Act, and that based solely on such counsel's review of the Commission's website, no stop order suspending the effectiveness of the Registration Statement has been issued and, to such counsel's knowledge, no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

In addition, such counsel may state that such counsel does not pass upon, or assume any responsibility for, the accuracy, completeness or fairness of the statements contained or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus and has made no independent check or verification thereof (except to the limited extent referred to in Section 6(f) (iv) above).

- (g) You shall have received opinions and statements of Sidley Austin LLP, counsel for the Underwriters, dated the Closing Date, as to such matters as you may reasonably request; the Company shall have furnished Sidley Austin LLP with such documents as it reasonably requests for the purpose of enabling it to satisfy such request. In giving its opinion, Sidley Austin LLP may rely on the opinions of Richard G. Beach, Esq., Associate General Counsel of Duke Energy Business Services LLC, the service company affiliate of the Company (or other appropriate counsel reasonably satisfactory to the Representatives) as to matters of Ohio and Kentucky law.
- (h) On or after the date hereof, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally or of the securities of Duke Energy Corporation on the New York Stock Exchange; or (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities or a material disruption in commercial banking services or securities settlement or clearance services in the United States; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if

the effect of any such event specified in this subsection (h) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus. In such event there shall be no liability on the part of any party to any other party except as otherwise provided in Section 7 hereof and except for the expenses to be borne by the Company as provided in Section 5(j) hereof.

- (i) You shall have received a certificate of the Chairman of the Board, the President, any Vice President, the Secretary or an Assistant Secretary and any financial or accounting officer of the Company, dated the Closing Date, in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct as of the Closing Date, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date, that the conditions specified in Section 6(c) and Section 6(d) have been satisfied, and that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened by the Commission.
- (j) At the time of the execution of this Agreement, you shall have received a letter dated such date, in form and substance satisfactory to you, from Deloitte & Touche LLP, the Company's independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, including specific references to inquiries regarding any increase in long-term debt (excluding current maturities), decrease in net current assets (defined as current assets less current liabilities) or stockholder's equity, and decrease in operating revenues or net income for the period subsequent to the latest financial statements incorporated by reference in the Registration Statement, as compared with the corresponding period in the preceding year, as of a specified date not more than three business days prior to the date of this Agreement.
- (k) At the Closing Date, you shall have received from Deloitte & Touche LLP, a letter dated as of the Closing Date, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (j) of this Section 6, except that the specified date referred to shall be not more than three business days prior to the Closing Date.
- (l) An appropriate order from the PUCO necessary to permit the issue and sale of the Bonds as contemplated hereby and containing no material provision or condition which is unacceptable to the Company or the Underwriters shall be in effect and no proceedings to suspend the effectiveness of such order shall be pending or threatened.

The Company will furnish you with such conformed copies of such opinions, certificates, letters and documents as you reasonably request.

7. *Indemnification.* (a) The Company agrees to indemnify and hold harmless each Underwriter, their respective officers and directors, and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act, as follows:

- (i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto) including the Rule 430B Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission or such alleged statement or omission was made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus;
- (ii) against any and all loss, liability, claim, damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and
- (iii) against any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) of this Section 7.

In no case shall the Company be liable under this indemnity agreement with respect to any claim made against any Underwriter or any such controlling person unless the Company shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof, but failure so to notify the Company shall not relieve it from any liability which it may have otherwise than under subsections 7(a) and 7(d). The Company shall be entitled to participate at its own expense in the defense, or if it so elects within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to

assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Underwriter or Underwriters or controlling person or persons, or defendant or defendants in any suit so brought, which approval shall not be unreasonably withheld. In any such suit, any Underwriter or any such controlling person shall have the right to employ its own counsel, but the fees and expenses of such counsel shall be at the expense of such Underwriter or such controlling person unless (i) the Company and such Underwriter shall have mutually agreed to the employment of such counsel, or (ii) the named parties to any such action (including any impleaded parties) include both such Underwriter or such controlling person and the Company and such Underwriter or such controlling person shall have been advised by such counsel that a conflict of interest between the Company and such Underwriter or such controlling person may arise and for this reason it is not desirable for the same counsel to represent both the indemnifying party and also the indemnified party (it being understood however, that the Company shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all such Underwriters and all such controlling persons, which firm shall be designated in writing by you). The Company agrees to notify you within a reasonable time of the assertion of any claim against it, any of its officers or directors or any person who controls the Company within the meaning of Section 15 of the 1933 Act, in connection with the sale of the Bonds.

- (b) Each Underwriter severally agrees that it will indemnify and hold harmless the Company, its directors and each of the officers of the Company who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act to the same extent as the indemnity contained in subsection (a) of this Section 7, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Company or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each person so indemnified shall have the rights and duties given to the Underwriters, by the provisions of subsection (a) of this Section 7.
- (c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement

includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

- (d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds. If however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, or if the indemnified party failed to give the notice required above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total compensation received by the Underwriters in respect of the underwriting discount as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Bonds underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No

person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

8. *Default by One or More of the Underwriters.* (a) If any Underwriter shall default in its obligation to purchase the principal amount of the Bonds which it has agreed to purchase hereunder on the Closing Date, you may in your discretion arrange for you or another party or other parties to purchase such Bonds on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Bonds, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Bonds on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Bonds, or the Company notifies you that it has so arranged for the purchase of such Bonds, you or the Company shall have the right to postpone such Closing Date for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Pricing Disclosure Package or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement, the Pricing Disclosure Package or the Prospectus which may be required. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section 8 with like effect as if such person had originally been a party to this Agreement with respect to such Bonds.

- (b) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains unpurchased does not exceed one-tenth of the aggregate amount of all the Bonds to be purchased at such Closing Date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the amount of Bonds which such Underwriter agreed to purchase hereunder at such Closing Date and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the amount of Bonds which such Underwriter agreed to purchase hereunder) of the Bonds of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.
- (c) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains unpurchased exceeds one-tenth of the aggregate amount of all the Bonds to be purchased at such Closing Date, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase the Bonds of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company as provided in Section 5(j) hereof and the indemnity and

contribution agreement in Section 7 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

9. *Representations and Indemnities to Survive Delivery.* The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or the Company, or any of its officers or directors or any controlling person, and will survive delivery of and payment for the Bonds.

10. *Reliance on Your Acts.* In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives.

11. *No Fiduciary Relationship.* The Company acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Company on the one hand, and the Underwriters on the other hand, (ii) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company or its shareholders, creditors, employees, or any other party, (iii) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) and no Underwriter has any obligation to the Company with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (iv) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (v) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the transaction contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

12. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed or telecopied and confirmed to Citigroup Global Markets Inc., 388 Greenwich Street, New York, NY 10013 (fax no.: (646) 291-1469); Leberthal & Co., LLC, 230 Park Ave, 32nd Floor, New York, NY 10169 (fax no.: (212) 981-6798); Loop Capital Markets LLC, 111 W. Jackson Blvd., Suite 1901, Chicago, IL 60604 (fax no.: (312) 913-4900); Mischler Financial Group, Inc., 1111 Bayside Drive, Suite 100, Corona del Mar, CA 92625 (fax no.: (949) 720-0229); Samuel A. Ramirez & Company, Inc., 61 Broadway, 29th Floor, New York, NY 10006 (fax no.: (212) 248-0507); The Williams Capital Group, L.P., 650 Fifth Avenue - 9th Floor, New York, NY 10019 (fax no.: (347) 296-3622); or, if sent to the Company, will be mailed or telecopied and confirmed to it at 550 S. Tryon Street, Charlotte, North Carolina 28202 (fax no.: (980) 373-4723), attention of Treasurer. Any such communications shall take effect upon receipt thereof.

13. *Business Day.* As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

14. *Successors.* This Agreement shall inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons, officers and directors referred to in Section 7 and their respective successors, heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained; this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons, officers and directors and their respective successors, heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Bonds from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

15. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

16. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

If the foregoing is in accordance with your understanding, kindly sign and return to us two counterparts hereof, and upon confirmation and acceptance by the Underwriters, this letter and such confirmation and acceptance will become a binding agreement between the Company, on the one hand, and each of the Underwriters, on the other hand, in accordance with its terms.

Very truly yours,

DUKE ENERGY OHIO, INC.

By: /s/ John L. Sullivan, III
Name: John L. Sullivan, III
Title: Assistant Treasurer

[Remainder of page left blank intentionally]

[Signature Page to the Underwriting Agreement]

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written:

CITIGROUP GLOBAL MARKETS INC.

/s/ Adam D. Bordner
Name: Adam D. Bordner
Title: Vice President

LOOP CAPITAL MARKETS LLC

/s/ Darrell A. Williams
Name: Darrell A. Williams
Title: Chief Operating Officer

SAMUEL A. RAMIREZ & COMPANY, INC.

/s/ Robert W. Hong
Name: Robert W. Hong
Title: Managing Director

LEBENTHAL & CO., LLC

/s/ Steven Willis
Name: Steven Willis
Title: Managing Director

MISCHLER FINANCIAL GROUP, INC.

/s/ Doyle L. Holmes
Name: Doyle L. Holmes
Title: President

THE WILLIAMS CAPITAL GROUP, L.P.

/s/ Jonathan Levin
Name: Jonathan Levin
Title: Principal

For themselves and as Representatives of the several Underwriters named on Schedule A hereto.

[Signature Page to the Underwriting Agreement]

SCHEDULE A

Underwriter	Principal Amount of Bonds
Citigroup Global Markets Inc.	\$ 41,668,000
Lebenthal & Co., LLC	41,668,000
Loop Capital Markets LLC	41,666,000
Mischler Financial Group, Inc.	41,666,000
Samuel A. Ramirez & Company, Inc.	41,666,000
The Williams Capital Group, L.P.	41,666,000
Total	\$ 250,000,000

SCHEDULE B

PRICING DISCLOSURE PACKAGE

Item

- 1) Base Prospectus
- 2) Preliminary Prospectus Supplement dated June 20, 2016
- 3) Permitted Free Writing Prospectuses
 - a) Pricing Term Sheet attached as Schedule C hereto

SCHEDULE C

*Filed pursuant to Rule 433
June 20, 2016
Relating to
Preliminary Prospectus Supplement dated June 20, 2016 to
Prospectus dated September 30, 2013
Registration Statement No. 333-191462-02*

**Duke Energy Ohio, Inc.
\$250,000,000 First Mortgage Bonds,
3.70% Series, Due June 15, 2046**

Pricing Term Sheet

Issuer:	Duke Energy Ohio, Inc.
Settlement Date:	June 23, 2016 (T+3)
Security Description:	First Mortgage Bonds, 3.70% Series, Due June 15, 2046 (the "Mortgage Bonds")
Principal Amount:	\$250,000,000
Interest Payment Dates:	June 15 and December 15 of each year, beginning on December 15, 2016
Maturity Date:	June 15, 2046
Benchmark Treasury:	2.500% due February 15, 2046
Benchmark Treasury Yield:	2.489%
Spread to Benchmark Treasury:	+ 125 basis points
Yield to Maturity:	3.739%
Coupon:	3.70%
Price to Public:	99.301% per Mortgage Bond, plus accrued interest, if any, from June 23, 2016
Redemption Provisions:	At any time before December 15, 2045 (which is the date that is six months prior to maturity of the Mortgage Bonds (the "Par Call Date")), the Mortgage Bonds will be redeemable in whole or in part, at the issuer's option at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of the Mortgage Bonds

being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Mortgage Bonds being redeemed that would be due if the Mortgage Bonds matured on the Par Call Date (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus 20 basis points, plus, in each case, accrued and unpaid interest on the principal amount of the Mortgage Bonds being redeemed to, but excluding, the date of redemption.

At any time on or after the Par Call Date, the Mortgage Bonds will be redeemable in whole or in part, at the issuer's option at any time, at a redemption price equal to 100% of the principal amount of the Mortgage Bonds being redeemed plus accrued and unpaid interest on the principal amount of the Mortgage Bonds being redeemed to, but excluding, the date of redemption.

CUSIP / ISIN:

26442E AE0 / US26442EAE05

Joint Book-Running Managers:

Citigroup Global Markets Inc.
Lebenthal & Co., LLC
Loop Capital Markets LLC
Mischler Financial Group, Inc.
Samuel A. Ramirez & Company, Inc.
The Williams Capital Group, L.P.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Citigroup Global Markets Inc. toll-free at (800) 831-9146, Lebenthal & Co., LLC toll-free at (877) 425-6006, Loop Capital Markets LLC toll-free at (888) 294-8898, Mischler Financial Group, Inc. toll-free at (800) 820-0640, Samuel A. Ramirez & Company, Inc. toll-free at (800) 888-4086 or The Williams Capital Group, L.P. toll-free at (800) 924-1311.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 15, 2016

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218



Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	DUKE ENERGY INDIANA, LLC. (Formerly DUKE ENERGY INDIANA, INC.) (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-3274	DUKE ENERGY FLORIDA, LLC (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Conditions.

The information attached hereto as exhibit 99.1 provides supplemental financial information for Duke Energy Corporation.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Second Quarter 2016 Statistical Supplement

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

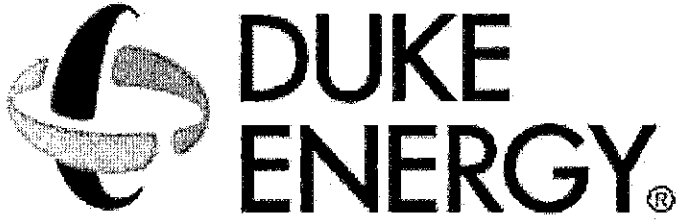
**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC**

Date: August 15, 2016

By: /s/ William E. Currens Jr.
Name: William E. Currens Jr.
Title: Senior Vice President, Chief Accounting Officer and Controller

EXHIBIT INDEX

Exhibit	Description
99.1	Second Quarter 2016 Statistical Supplement



2nd Quarter 2016 Statistical Supplement

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- 13 Reported to Adjusted Earnings Reconciliations
- 15 Non-GAAP Financial Measures

This Statistical Supplement should be read in conjunction with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2015, and Form 10-Q for the six months ended June 30, 2016.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Six Months Ended June 30, 2016						Duke Energy
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments		
Operating Revenues							
Regulated electric	\$ 10,090	\$ —	\$ —	\$ —	\$ —	(72)	\$ 10,018
Nonregulated electric and other	—	516	226	59	21	—	822
Regulated natural gas	268	—	—	—	(2)	—	266
Total operating revenues	10,358	516	226	59	(53)	—	11,106
Operating Expenses							
Fuel used in electric generation and purchased power - regulated	3,086	—	—	—	—	—	3,086
Fuel used in electric generation and purchased power - nonregulated	—	117	—	23	—	—	140
Cost of natural gas	58	23	—	—	—	—	81
Operation, maintenance and other	2,587	153	157	75	(52)	—	2,920
Depreciation and amortization	1,449	44	63	71	—	—	1,627
Property and other taxes	556	5	12	17	—	—	590
Impairment charges ^(a)	3	194	—	2	(1)	—	198
Total operating expenses	7,739	536	232	188	(53)	—	8,642
Gains (Losses) on Sales of Other Assets and Other, net	2	(1)	2	11	—	—	14
Operating Income (Loss)	2,621	(21)	(4)	(118)	—	—	2,478
Other Income and Expenses							
Equity in earnings of unconsolidated affiliates	(1)	17	6	1	—	—	23
Other income and expenses, net	139	22	—	17	(7)	—	171
Total Other Income and Expenses	138	39	6	18	(7)	—	194
Interest Expense ^(b)	555	44	23	396	(7)	—	1,011
Income (Loss) from Continuing Operations Before Income Taxes	2,204	(26)	(21)	(496)	—	—	1,661
Income Tax Expense (Benefit) from Continuing Operations ^(c)	791	(52)	(61)	(226)	—	—	452
Income (Loss) from Continuing Operations	1,413	26	40	(270)	—	—	1,209
Less: Net Income (Loss) Attributable to Noncontrolling Interest	—	5	(1)	4	—	—	8
Segment Income / Other Net Expense	\$ 1,413	\$ 21	\$ 41	\$ (274)	\$ —	\$ —	\$ 1,201
Income from Discontinued Operations, net of tax							2
Net Income Attributable to Duke Energy Corporation							\$ 1,203
Segment Income / Other Net Expense	\$ 1,413	\$ 21	\$ 41	\$ (274)	\$ —	\$ —	\$ 1,201
Special Items	—	145	—	170	—	—	315
Adjusted Earnings ^(d)	\$ 1,413	\$ 166	\$ 41	\$ (104)	\$ —	\$ —	\$ 1,516

- (a) International Energy includes an impairment charge of \$194 million related to certain assets in Central America.
- (b) Other includes costs to achieve mergers of \$183 million, which primarily consists of the mark-to-market unrealized losses related to the forward-starting interest rate swaps and other financing costs for the expected financing of the Piedmont Natural Gas (Piedmont) acquisition.
- (c) International Energy includes a net tax benefit of \$79 million resulting from the ability to more efficiently utilize foreign tax credits, net of higher taxes due to no longer asserting indefinite reinvestment of foreign earnings.
- (d) See page 13 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Six Months Ended June 30, 2015 ^(a)					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 10,613	\$ —	\$ —	\$ 2	\$ (68)	\$ 10,547
Nonregulated electric and other	—	560	148	59	13	780
Regulated natural gas	330	—	—	—	(3)	327
Total operating revenues	10,943	560	148	61	(58)	11,654
Operating Expenses						
Fuel used in electric generation and purchased power - regulated	3,662	—	—	—	—	3,662
Fuel used in electric generation and purchased power - nonregulated	—	197	14	12	(1)	222
Cost of natural gas	110	28	—	—	(1)	137
Operation, maintenance and other	2,615	164	100	21	(52)	2,848
Depreciation and amortization	1,405	46	50	66	—	1,567
Property and other taxes	516	4	9	14	—	543
Total operating expenses	8,308	439	173	113	(54)	8,979
Gains on Sales of Other Assets and Other, net	9	(1)	6	13	—	27
Operating Income (Loss)	2,644	120	(19)	(39)	(4)	2,702
Other Income and Expenses						
Equity in earnings of unconsolidated affiliates	(2)	40	(3)	1	—	36
Other income and expenses, net	133	5	3	9	(4)	146
Total Other Income and Expenses	131	45	—	10	(4)	182
Interest Expense	549	45	22	194	(4)	806
Income (Loss) from Continuing Operations Before Income Taxes	2,226	120	(41)	(223)	(4)	2,078
Income Tax Expense (Benefit) from Continuing Operations ^(b)	820	30	(18)	(134)	—	698
Income (Loss) from Continuing Operations	1,406	90	(23)	(89)	(4)	1,380
Less: Net Income Attributable to Noncontrolling Interest	—	2	—	5	—	7
Segment Income / Other Net Expense	\$ 1,406	\$ 88	\$ (23)	\$ (94)	\$ (4)	\$ 1,373
Income from Discontinued Operations, net ^(c)						34
Net Income Attributable to Duke Energy Corporation						\$ 1,407
Segment Income / Other Net Expense	\$ 1,406	\$ 86	\$ (23)	\$ (94)	\$ (4)	\$ 1,373
Special Items	—	—	135	27	4	166
Adjusted Earnings ^(d)	\$ 1,406	\$ 86	\$ 112	\$ (67)	\$ —	\$ 1,539

- (a) During the first quarter of 2016, Duke Energy began to evaluate interim period segment performance based on financial information that includes the impact of income tax levelization within segment income. This represents a change from the previous measure, where the interim period impacts of income tax levelization were included within Other, and therefore excluded from segment income. As a result, prior-period segment results presented have been recast to conform to this change.
- (b) The amount for Commercial Portfolio includes state tax expense of \$41 million, resulting from changes to state apportionment factors due to the sale of the nonregulated Midwest generation business, that does not qualify for discontinued operations.
- (c) Includes the after-tax impact of \$53 million for the agreement in principle reached in a lawsuit related to the nonregulated Midwest generation business.
- (d) See page 14 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	June 30, 2016					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 55	\$ 454	\$ 8	\$ 159	\$ —	\$ 676
Receivables, net	360	147	34	35	(1)	575
Receivables of variable interest entities, net	1,919	—	15	10	(1)	1,943
Receivables from affiliated companies	4	—	249	3,415	(3,668)	—
Notes receivable from affiliated companies	157	—	—	56	(213)	—
Inventory	3,513	65	23	26	—	3,627
Regulatory assets	717	—	—	108	—	825
Other	240	26	89	129	(33)	451
Total current assets	6,965	692	418	3,938	(3,916)	8,097
Investments and Other Assets						
Investments in equity method unconsolidated affiliates	3	41	543	25	1	613
Investments and advances to (from) subsidiaries	18	(24)	12	46,584	(46,590)	—
Nuclear decommissioning trust funds	5,966	—	—	—	—	5,966
Goodwill	15,950	284	122	—	1	16,357
Other	1,914	259	100	1,342	(643)	2,972
Total investments and other assets	23,851	560	777	47,951	(47,231)	25,908
Property, Plant and Equipment						
Cost	106,415	3,072	3,896	1,760	—	115,143
Accumulated depreciation and amortization	(35,718)	(1,218)	(501)	(975)	—	(38,412)
Generation facilities to be retired, net	598	—	—	—	—	598
Net property, plant and equipment	71,295	1,854	3,395	785	—	77,329
Regulatory Assets and Deferred Debits						
Regulatory assets	10,838	—	—	452	—	11,290
Other	12	—	—	19	(1)	30
Total regulatory assets and deferred debits	10,850	—	—	471	(1)	11,320
Total Assets	112,961	3,106	4,590	53,145	(51,148)	122,654
Segment reclassifications, intercompany balances and other	(207)	25	(261)	(50,885)	51,328	—
Segment Assets	\$ 112,754	\$ 3,131	\$ 4,329	\$ 2,260	\$ 180	\$ 122,654

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(In millions)	June 30, 2016					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,615	\$ 66	\$ 86	\$ 454	\$ —	\$ 2,221
Accounts payable to affiliated companies	3,273	133	208	45	(3,659)	—
Notes payable to affiliated companies	56	—	—	157	(213)	—
Notes payable and commercial paper	—	—	—	2,312	—	2,312
Taxes accrued	496	109	(306)	168	—	467
Interest accrued	322	30	1	96	(1)	448
Current maturities of long-term debt	1,124	156	154	907	1	2,342
Regulatory liabilities	330	—	—	2	—	332
Other	1,253	57	36	482	(44)	1,784
Total current liabilities	8,469	551	179	4,623	(3,916)	9,906
Long-Term Debt	27,818	607	866	10,641	(1)	39,931
Long-Term Debt Payable to Affiliated Companies	625	—	17	—	(642)	—
Deferred Credits and Other Liabilities						
Deferred income taxes	15,441	138	300	(2,841)	—	13,038
Investment tax credits	492	—	—	—	—	492
Accrued pension and other post-retirement benefit costs	653	—	—	391	—	1,044
Asset retirement obligations	10,146	16	68	1	—	10,231
Regulatory liabilities	6,285	—	—	49	—	6,334
Other	992	85	296	358	(1)	1,730
Total deferred credits and other liabilities	34,009	239	664	(2,042)	(1)	32,869
Equity						
Total Duke Energy Corporation stockholders' equity	42,040	1,666	2,843	39,935	(46,589)	39,895
Noncontrolling interests	—	43	21	(12)	1	53
Total equity^(a)	42,040	1,709	2,864	39,923	(46,588)	39,948
Total Liabilities and Equity	112,961	3,106	4,590	53,145	(51,148)	122,654
Segment reclassifications, intercompany balances and other	(207)	25	(261)	(50,885)	51,328	—
Segment Liabilities and Equity	\$ 112,754	\$ 3,131	\$ 4,329	\$ 2,260	\$ 180	\$ 122,654

(a) As of June 30, 2016, the International Energy segment had a carrying value of approximately \$2.4 billion, adjusted for \$589 million of cumulative foreign currency translation losses currently classified as accumulated other comprehensive loss.

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2016							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations/ Adjustments	Regulated Utilities
Operating Revenues								
Regulated electric	\$ 3,416	\$ 2,520	\$ 2,157	\$ 500	\$ 163	\$ 1,416	\$ (82)	\$ 10,090
Regulated natural gas	—	—	—	218	51	—	(1)	268
Total operating revenues	3,416	2,520	2,157	718	214	1,416	(83)	10,358
Operating Expenses								
Fuel used in electric generation and purchased power	810	872	841	150	61	448	(96)	3,086
Cost of natural gas	—	—	—	40	18	—	—	58
Operation, maintenance and other	946	684	391	151	69	342	4	2,587
Depreciation and amortization	523	346	235	103	22	221	(1)	1,449
Property and other taxes	138	80	159	128	7	44	—	556
Impairment charges	—	—	3	—	—	—	—	3
Total operating expenses	2,417	1,982	1,629	572	177	1,055	(93)	7,739
Gains on Sales of Other Assets and Other, net	—	1	—	—	—	—	1	2
Operating Income	999	539	528	146	37	361	11	2,621
Other Income and Expenses, net	82	29	18	2	1	9	(3)	138
Interest Expense	214	127	81	32	8	90	3	555
Income Before Income Taxes	867	441	465	116	30	280	5	2,204
Income Tax Expense	301	157	175	37	8	93	20	791
Segment Income	\$ 566	\$ 284	\$ 290	\$ 79	\$ 22	\$ 187	\$ (15)	\$ 1,413

(a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2015							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Operating Revenues								
Regulated electric	\$ 3,608	\$ 2,642	\$ 2,367	\$ 454	\$ 184	\$ 1,474	\$ (116)	\$ 10,613
Regulated natural gas	—	—	—	261	69	—	—	330
Total operating revenues	3,608	2,642	2,367	715	253	1,474	(116)	10,943
Operating Expenses								
Fuel used in electric generation and purchased power	1,005	1,024	1,011	144	78	529	(129)	3,662
Cost of natural gas	—	—	—	77	32	—	1	110
Operation, maintenance and other	929	724	381	157	65	355	4	2,615
Depreciation and amortization	510	315	256	90	25	211	(2)	1,405
Property and other taxes	137	67	168	121	6	18	(1)	516
Total operating expenses	2,581	2,130	1,816	589	206	1,113	(127)	8,308
Gains on Sales of Other Assets and Other, net	—	1	—	8	—	1	(1)	9
Operating Income	1,027	513	551	134	47	362	10	2,644
Other Income and Expenses, net	83	35	10	(3)	1	9	(4)	131
Interest Expense	208	116	99	31	7	88	—	549
Income Before Income Taxes	902	432	462	100	41	283	6	2,226
Income Tax Expense	327	156	178	37	15	103	4	820
Segment Income	\$ 575	\$ 276	\$ 284	\$ 63	\$ 26	\$ 180	\$ 2	\$ 1,406

(a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Consolidating Balance Sheets - Assets
(Unaudited)

(In millions)	June 30, 2016							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Current Assets								
Cash and cash equivalents	\$ 16	\$ 8	\$ 8	\$ 4	\$ 6	\$ 12	\$ 1	\$ 55
Receivables, net	112	35	64	57	2	87	3	360
Receivables of variable interest entities, net	696	421	355	—	—	—	447	1,919
Receivables from affiliated companies	71	9	3	33	10	59	(181)	4
Notes receivable from affiliated companies	252	—	—	184	2	147	(428)	157
Inventory	1,169	1,068	657	66	44	508	1	3,513
Regulatory assets	262	187	135	11	7	115	—	717
Other	77	35	43	16	27	45	(3)	240
Total current assets	2,655	1,763	1,265	371	98	973	(160)	6,965
Investments and Other Assets								
Investments in equity method unconsolidated affiliates	1	1	2	—	—	—	(1)	3
Investments and advances to (from) subsidiaries	29	(17)	3	—	—	—	3	18
Nuclear decommissioning trust funds	3,133	2,110	724	—	—	—	(1)	5,966
Goodwill	—	—	—	920	—	—	15,030	15,950
Other	915	508	287	27	2	217	(42)	1,914
Total investments and other assets	4,078	2,602	1,016	947	2	217	14,989	23,851
Property, Plant and Equipment								
Cost	40,285	27,771	15,938	5,794	2,112	13,677	838	106,415
Accumulated depreciation and amortization	(13,880)	(10,350)	(4,730)	(1,601)	(936)	(4,219)	(2)	(35,718)
Generation facilities to be retired, net	—	506	—	—	—	93	(1)	598
Net property, plant and equipment	26,405	17,927	11,208	4,193	1,176	9,551	835	71,295
Regulatory Assets and Deferred Debits								
Regulatory assets	2,856	2,744	2,553	430	82	825	1,348	10,838
Other	3	2	3	2	—	2	—	12
Total regulatory assets and deferred debits	2,859	2,746	2,556	432	82	827	1,348	10,850
Total Assets	35,997	25,038	16,045	5,943	1,358	11,568	17,012	112,961
Intercompany balances and other	(201)	(98)	(104)	(53)	44	(44)	249	(207)
Reportable Segment Assets	\$ 35,796	\$ 24,940	\$ 15,941	\$ 5,890	\$ 1,402	\$ 11,524	\$ 17,261	\$ 112,754

(a) Excludes the balances of the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	June 30, 2016							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Current Liabilities								
Accounts payable	\$ 565	\$ 300	\$ 390	\$ 191	\$ 21	\$ 145	\$ 3	\$ 1,615
Accounts payable to affiliated companies	173	134	100	26	7	37	2,796	3,273
Notes payable to affiliated companies	—	78	406	—	—	—	(428)	56
Taxes accrued	135	58	158	90	9	42	4	496
Interest accrued	108	96	40	15	4	59	—	322
Current maturities of long-term debt	468	252	48	3	51	221	81	1,124
Regulatory liabilities	91	84	82	14	2	57	—	330
Other	400	314	361	57	21	102	(2)	1,253
Total current liabilities	1,940	1,316	1,585	396	115	663	2,454	8,469
Long-Term Debt	8,592	6,163	5,492	1,521	287	3,566	2,197	27,818
Long-Term Debt Payable to Affiliated Companies	300	150	—	—	25	150	—	625
Deferred Credits and Other Liabilities								
Deferred income taxes	6,494	3,162	2,572	1,160	305	1,732	16	15,441
Investment tax credits	196	152	3	3	1	137	—	492
Accrued pension and other post-retirement benefit costs	96	249	238	38	12	74	(54)	653
Asset retirement obligations	3,910	4,594	792	21	103	520	206	10,146
Regulatory liabilities	2,885	1,901	508	190	56	745	—	6,285
Other	645	24	101	131	27	72	(8)	992
Total deferred credits and other liabilities	14,226	10,082	4,214	1,543	504	3,280	160	34,009
Equity	10,939	7,327	4,754	2,483	427	3,909	12,201	42,040
Total Liabilities and Equity	35,997	25,038	16,045	5,943	1,358	11,568	17,012	112,961
Intercompany balances and other	(201)	(98)	(104)	(53)	44	(44)	249	(207)
Reportable Segment Liabilities and Equity	\$ 35,796	\$ 24,940	\$ 15,941	\$ 5,890	\$ 1,402	\$ 11,524	\$ 17,261	\$ 112,754

(a) Excludes the balances of the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Revenues By Customer Class
(Unaudited)

Six Months Ended June 30, 2016								
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Regulated Electric Revenues								
Residential	\$ 1,398	\$ 900	\$ 1,100	\$ 296	\$ 60	\$ 476	—	\$ 4,230
General service	1,071	622	642	150	65	344	—	2,894
Industrial	604	303	123	33	26	349	—	1,438
Wholesale	217	593	104	—	9	171	—	1,094
Change in unbilled	73	20	35	5	3	13	—	149
Other revenues	53	82	153	16	—	63	(82)	285
Total Electric Revenues	\$ 3,416	\$ 2,520	\$ 2,157	\$ 500	\$ 163	\$ 1,416	\$ (82)	\$ 10,090
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 145	\$ 38	\$ —	\$ —	\$ 183
General service	—	—	—	61	14	—	—	75
Industrial	—	—	—	8	2	—	—	10
Change in unbilled	—	—	—	(6)	(3)	—	—	(9)
Other revenues	—	—	—	10	—	—	(1)	9
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 218	\$ 51	\$ —	\$ (1)	\$ 268
Six Months Ended June 30, 2015								
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Regulated Electric Revenues								
Residential	\$ 1,506	\$ 991	\$ 1,214	\$ 289	\$ 65	\$ 532	\$ —	\$ 4,597
General service	1,071	643	727	146	67	369	—	3,023
Industrial	610	323	142	29	27	373	—	1,504
Wholesale	220	584	133	—	22	149	—	1,108
Change in unbilled	31	8	24	6	—	(15)	—	54
Other revenues	170	93	127	(16)	3	66	(116)	327
Total Electric Revenues	\$ 3,608	\$ 2,642	\$ 2,367	\$ 454	\$ 184	\$ 1,474	\$ (116)	\$ 10,613
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 176	\$ 51	\$ —	\$ —	\$ 227
General service	—	—	—	75	21	—	—	96
Industrial	—	—	—	11	3	—	—	14
Change in unbilled	—	—	—	(9)	(5)	—	—	(14)
Other revenues	—	—	—	8	(1)	—	—	7
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 261	\$ 69	\$ —	\$ —	\$ 330

(a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.

DUKE ENERGY MONEYPPOOL SUPPLEMENT
Schedule of Moneypool Balances
(Unaudited)

(In millions)	June 30, 2016							Consolidated
	Duke Energy ^(a)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(b)	Duke Energy Kentucky	Duke Energy Indiana	
Moneypool lendings (borrowings) of commercial paper ^(c)	\$ 681	\$ (300)	\$ (159)	\$ (47)	\$ —	\$ (25)	\$ (150)	—
Moneypool (borrowings) lendings ^(d)	(157)	252	(69)	(359)	184	2	147	—

- (a) Duke Energy only includes Duke Energy Corporation (the Parent) and Duke Energy Business Services (DEBS).
(b) Excludes amounts of the wholly owned subsidiary, Duke Energy Kentucky.
(c) Duke Energy issues commercial paper and loans a portion of the proceeds through the moneypool to the subsidiary Public Utilities.
(d) Duke Energy participates in a moneypool arrangement with the subsidiary Public Utilities. Under the arrangement, short-term loans may be provided to affiliates. The Parent may loan funds through the moneypool but is prohibited from borrowing funds. DEBS is permitted to both borrow and loan funds into the moneypool. Borrowings presented for Duke Energy are borrowed by DEBS.

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

	Reported Earnings	Special Items				Total Adjustments	Adjusted Earnings
		Costs to Achieve, Mergers	International Impairment	Cost Savings Initiatives	Discontinued Operations		
SEGMENT INCOME							
Regulated Utilities	\$ 1,413	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,413
International Energy	21	—	145 B	—	—	145	166
Commercial Portfolio	41	—	—	—	—	—	41
Total Reportable Segment Income	1,475	—	145	—	—	145	1,620
Other	(274)	143 A	—	27 C	—	170	(104)
Total Reportable Segment Income and Other Net Expense	1,201	143	145	27	—	315	1,516
Discontinued Operations	2	—	—	—	(2) D	(2)	—
Net Income Attributable to Duke Energy Corporation	\$ 1,203	\$ 143	\$ 145	\$ 27	\$ (2)	\$ 313	\$ 1,516
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 1.74	\$ 0.21	\$ 0.21	\$ 0.04	\$ —	\$ 0.46	\$ 2.20
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.74	\$ 0.21	\$ 0.21	\$ 0.04	\$ —	\$ 0.46	\$ 2.20

A - Net of \$88 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$47 million recorded within Operating Expenses and \$183 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense is primarily mark-to-market losses related to forward-starting interest rate swaps utilized to manage interest rate exposure for the expected financing of the Piedmont acquisition.

B - Net of \$49 million tax benefit. Impairment of certain assets in Central America recorded within Impairment Charges on the Condensed Consolidated Statements of Operations.

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

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

Weighted Average Shares (reported and adjusted) - in millions

Basic	689
Diluted	689

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2015
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items			Total Adjustments	Adjusted Earnings
		Costs to Achieve, Progress Merger	Midwest Generation Operations	Discontinued Operations		
SEGMENT INCOME						
Regulated Utilities	\$ 1,406	\$ —	\$ —	\$ —	\$ —	\$ 1,406
International Energy	88	—	—	—	—	88
Commercial Portfolio	(23)	—	94 B	41 E	135	112
Total Reportable Segment Income	1,471	—	94	41	135	1,606
Other	(94)	27 A	—	—	27	(67)
Intercompany Eliminations	(4)	—	—	4 D	4	—
Total Reportable Segment Income and Other Net Expense	1,373	27	94	45	166	1,539
Discontinued Operations	34	—	(94) B	60 C	(34)	—
Net Income Attributable to Duke Energy Corporation	\$ 1,407	\$ 27	\$ —	\$ 105	\$ 132	\$ 1,539
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 2.01	\$ 0.04	\$ —	\$ 0.15	\$ 0.19	\$ 2.20
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 2.01	\$ 0.04	\$ —	\$ 0.15	\$ 0.19	\$ 2.20

A - Net of \$16 million tax benefit. Recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Operating results of the nonregulated Midwest generation business that had been classified from discontinued operations after adjustment for special items and economic hedges (net of \$53 million tax benefit).

C - Recorded in Income (Loss) From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations, and includes the impact of a litigation reserve related to the nonregulated Midwest generation business.

D - Reverses the impact on eliminations of classifying the nonregulated Midwest generation business as discontinued operations.

E - State tax expense resulting from the completion of the sale of the nonregulated Midwest generation business.

Weighted Average Shares (reported and adjusted) - in millions

Basic	700
Diluted	700

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, adjusted earnings and adjusted diluted EPS. These items represent income from continuing operations net of income (loss) attributable to noncontrolling interests, adjusted for the dollar and per-share impact of special items. Special items represent certain charges and credits, which management believes are not indicative of our ongoing performance, and are discussed below. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting results to the Board of Directors, employees, stockholders, analysts and investors concerning Duke Energy's financial performance. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation and Diluted EPS Attributable to Duke Energy Corporation common stockholders.

Special items included in the periods presented include the following:

- Costs to achieve mergers and International impairment represent charges that result from potential or completed strategic acquisitions and divestitures that do not reflect ongoing costs of the business.
- Costs savings initiatives represent restructuring charges incurred to reduce future expenses and do not represent ongoing costs.
- Midwest generation operations represents the operating results of the nonregulated Midwest generation business and Duke Energy Retail Sales (collectively, the Disposal Group), which have been classified as discontinued operations. Management believes inclusion of the Disposal Group's operating results within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, 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 for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income. Segment income is defined as income from continuing operations net of income attributable to noncontrolling interests. Segment income includes intercompany revenues and expenses that are eliminated in the Condensed Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income as presented provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income is segment income.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted Other net expenses and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items or any amounts that may be reported as discontinued operations or extraordinary items for future periods, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other entities may not calculate the measures in the same manner.

**UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
 Pursuant to Section 13 or 15(d) of the
 Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 17, 2016

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218



Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	DUKE ENERGY INDIANA, LLC. (Formerly DUKE ENERGY INDIANA, INC.) (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-3274	DUKE ENERGY FLORIDA, LLC (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Conditions.

The information attached hereto as exhibit 99.1 provides supplemental financial information for Duke Energy Corporation.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Third Quarter 2016 Statistical Supplement

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC**

Date: November 17, 2016

By: /s/ William E. Currens Jr.
Name: William E. Currens Jr.
Title: Senior Vice President, Chief Accounting Officer and Controller

EXHIBIT INDEX

Exhibit	Description
99.1	Third Quarter 2016 Statistical Supplement



3rd Quarter 2016 Statistical Supplement

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REGULATED UTILITIES (Unaudited)

- 7 Consolidating Segment Income
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This Statistical Supplement should be read in conjunction with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2015, and Form 10-Q for the nine months ended September 30, 2016.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Nine Months Ended September 30, 2016						Duke Energy
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments		
Operating Revenues							
Regulated electric	\$ 16,430	\$ —	\$ —	\$ —	(109)	\$	16,321
Nonregulated electric and other	—	761	366	91	33		1,251
Regulated natural gas	358	—	—	—	(3)		355
Total operating revenues	16,788	761	366	91	(79)		17,927
Operating Expenses							
Fuel used in electric generation and purchased power - regulated	5,102	—	—	—	—		5,102
Fuel used in electric generation and purchased power - nonregulated	—	177	—	38	—		215
Cost of natural gas	64	34	—	—	—		98
Operation, maintenance and other	3,905	240	257	144	(79)		4,467
Depreciation and amortization	2,198	62	96	108	—		2,464
Property and other taxes	843	6	20	24	—		893
Impairment charges ^(a)	12	194	—	2	—		208
Total operating expenses	12,124	713	373	316	(79)		13,447
Gains (Losses) on Sales of Other Assets and Other, net	3	(2)	3	16	—		20
Operating Income (Loss)	4,667	46	(4)	(209)	—		4,500
Other Income and Expenses							
Equity in earnings (losses) of unconsolidated affiliates ^(b)	(2)	27	(63)	1	—		(37)
Other income and expenses, net	215	35	—	29	(9)		270
Total Other Income and Expenses	213	62	(63)	30	(9)		233
Interest Expense ^(c)	848	63	38	553	(9)		1,493
Income (Loss) from Continuing Operations Before Income Taxes	4,032	45	(105)	(732)	—		3,240
Income Tax Expense (Benefit) from Continuing Operations ^(d)	1,419	(48)	(123)	(276)	—		972
Income (Loss) from Continuing Operations	2,613	93	18	(456)	—		2,268
Less: Net Income (Loss) Attributable to Noncontrolling Interest	—	8	(2)	7	—		13
Segment Income / Other Net Expense	\$ 2,613	\$ 85	\$ 20	\$ (463)	\$ —	\$	2,255
Income from Discontinued Operations, net of tax ^(e)							124
Net Income Attributable to Duke Energy Corporation						\$	2,379
Segment Income / Other Net Expense	\$ 2,613	\$ 85	\$ 20	\$ (463)	\$ —	\$	2,255
Special items	—	145	45	234	—		424
Adjusted Earnings ^(f)	\$ 2,613	\$ 230	\$ 65	\$ (229)	\$ —	\$	2,679

- (a) International Energy includes a pretax impairment charge of \$194 million related to certain assets in Central America.
(b) Commercial Portfolio includes a pretax impairment charge of \$71 million related to certain equity method investments in wind projects.
(c) Other includes \$234 million related to Piedmont Natural Gas (Piedmont) acquisition financing.
(d) International Energy includes a net tax benefit of \$95 million resulting from the ability to more efficiently utilize foreign tax credits.
(e) Primarily relates to tax adjustments from previously sold businesses.
(f) See page 12 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Nine Months Ended September 30, 2015 ^(a)						Duke Energy
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments		
Operating Revenues							
Regulated electric	\$ 16,670	\$ —	\$ —	\$ 3	\$ (109)	\$	16,564
Nonregulated electric and other	—	841	214	75	27		1,157
Regulated natural gas	420	—	—	—	(4)		416
Total operating revenues	17,090	841	214	78	(86)		18,137
Operating Expenses							
Fuel used in electric generation and purchased power - regulated	5,775	—	—	—	—		5,775
Fuel used in electric generation and purchased power - nonregulated	—	262	14	7	—		283
Cost of natural gas	117	42	—	—	(1)		158
Operation, maintenance and other	3,910	247	149	47	(79)		4,274
Depreciation and amortization	2,096	69	77	99	—		2,341
Property and other taxes	798	5	15	19	(1)		836
Impairment charges ^(b)	93	14	—	5	(1)		111
Total operating expenses	12,789	639	255	177	(82)		13,778
Gains (Losses) on Sales of Other Assets and Other, net	10	(1)	6	16	—		31
Operating Income (Loss)	4,311	201	(35)	(83)	(4)		4,390
Other Income and Expenses							
Equity in earnings (losses) of unconsolidated affiliates	(3)	60	(4)	2	(2)		53
Other income and expenses, net	190	9	1	6	(3)		203
Total Other Income and Expenses	187	69	(3)	8	(5)		256
Interest Expense	829	66	33	285	(5)		1,208
Income (Loss) from Continuing Operations Before Income Taxes	3,669	204	(71)	(360)	(4)		3,438
Income Tax Expense (Benefit) from Continuing Operations ^(c)	1,358	44	(55)	(229)	—		1,118
Income (Loss) from Continuing Operations	2,311	160	(16)	(131)	(4)		2,320
Less: Net Income (Loss) Attributable to Noncontrolling Interest	—	3	(1)	8	—		10
Segment Income (Loss) / Other Net Expense	\$ 2,311	\$ 157	\$ (15)	\$ (139)	\$ (4)	\$	2,310
Income from Discontinued Operations, net ^(d)							29
Net Income Attributable to Duke Energy Corporation						\$	2,339
Segment Income (Loss) / Other Net Expense	\$ 2,311	\$ 157	\$ (15)	\$ (139)	\$ (4)	\$	2,310
Special Items	60	—	134	42	4		240
Adjusted Earnings ^(e)	\$ 2,371	\$ 157	\$ 119	\$ (97)	\$ —	\$	2,550

- (a) Certain prior period amounts have been reclassified to conform to the current year presentation.
- (b) Regulated Utilities includes an \$85 million pretax charge related to the Edwardsport settlement.
- (c) Regulated Utilities includes a tax benefit of \$34 million related to the Edwardsport settlement. Commercial Portfolio includes state tax expense of \$41 million, resulting from changes to state apportionment factors due to the sale of the nonregulated Midwest generation business, that does not qualify for discontinued operations.
- (d) Includes the after-tax impact of \$53 million for the agreement in principle reached in a lawsuit related to the nonregulated Midwest generation business.
- (e) See page 13 for a detailed reconciliation of Segment Income (Loss) / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	September 30, 2016					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 421	\$ 526	\$ 8	\$ 5,224	\$ —	\$ 6,179
Receivables, net	388	136	19	40	—	583
Receivables of variable interest entities, net	2,111	—	23	5	—	2,139
Receivables from affiliated companies	12	—	869	2,729	(3,610)	—
Notes receivable from affiliated companies	120	—	—	—	(120)	—
Inventory	3,240	67	17	26	1	3,351
Regulatory assets	752	—	—	101	—	853
Other	310	26	109	3	(19)	429
Total current assets	7,354	755	1,045	8,128	(3,748)	13,534
Investments and Other Assets						
Investments in equity method unconsolidated affiliates	2	43	534	25	—	604
Investments and advances to (from) subsidiaries	36	(25)	6	47,365	(47,382)	—
Nuclear decommissioning trust funds	6,112	—	—	—	—	6,112
Goodwill	15,950	282	122	—	—	16,354
Other	1,871	241	111	1,359	(634)	2,948
Total investments and other assets	23,971	541	773	48,749	(48,016)	26,018
Property, Plant and Equipment						
Cost	107,541	3,060	4,004	1,771	—	116,376
Accumulated depreciation and amortization	(36,081)	(1,228)	(533)	(971)	1	(38,812)
Generation facilities to be retired, net	652	—	—	—	—	652
Net property, plant and equipment	72,112	1,832	3,471	800	1	78,216
Regulatory Assets and Deferred Debits						
Regulatory assets	11,440	—	—	456	—	11,896
Other	11	—	—	11	—	22
Total regulatory assets and deferred debits	11,451	—	—	467	—	11,918
Total Assets	114,888	3,128	5,289	58,144	(51,763)	129,686
Segment reclassifications, intercompany balances and other	(181)	25	(875)	(50,916)	51,947	—
Segment Assets	\$ 114,707	\$ 3,153	\$ 4,414	\$ 7,228	\$ 184	\$ 129,686

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	September 30, 2016					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,668	\$ 62	\$ 56	\$ 351	\$ 1	\$ 2,138
Accounts payable to affiliated companies	3,180	136	13	272	(3,601)	—
Notes payable to affiliated companies	—	—	—	120	(120)	—
Notes payable and commercial paper	—	—	—	3,011	—	3,011
Taxes accrued	707	116	(401)	214	—	636
Interest accrued	350	30	—	123	1	504
Current maturities of long-term debt	1,252	154	193	1,602	—	3,201
Asset retirement obligations	539	—	—	—	—	539
Regulatory liabilities	316	—	—	4	(1)	319
Other	1,285	68	52	351	(28)	1,728
Total current liabilities	9,297	566	(87)	6,048	(3,748)	12,076
Long-Term Debt	28,530	629	1,151	13,653	1	43,964
Long-Term Debt Payable to Affiliated Companies	625	—	9	—	(634)	—
Deferred Credits and Other Liabilities						
Deferred income taxes	15,613	105	360	(2,877)	—	13,201
Investment tax credits	486	—	—	—	—	486
Accrued pension and other post-retirement benefit costs	642	—	—	388	—	1,030
Asset retirement obligations	10,200	15	75	1	—	10,291
Regulatory liabilities	6,196	—	—	44	1	6,241
Other	1,120	82	294	355	—	1,851
Total deferred credits and other liabilities	34,257	202	729	(2,089)	1	33,100
Equity						
Total Duke Energy Corporation stockholders' equity	42,179	1,685	3,467	40,541	(47,383)	40,489
Noncontrolling interests	—	46	20	(9)	—	57
Total equity	42,179	1,731	3,487	40,532	(47,383)	40,546
Total Liabilities and Equity	114,888	3,128	5,289	58,144	(51,763)	129,686
Segment reclassifications, intercompany balances and other	(181)	25	(875)	(50,916)	51,947	—
Segment Liabilities and Equity	\$ 114,707	\$ 3,153	\$ 4,414	\$ 7,228	\$ 184	\$ 129,686

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(in millions)	Nine Months Ended September 30, 2016								
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations/ Adjustments	Regulated Utilities	
Operating Revenues:									
Regulated electric	\$ 5,642	\$ 4,103	\$ 3,538	\$ 791	\$ 262	\$ 2,225	\$ (131)	\$ 16,430	
Regulated natural gas	—	—	—	296	62	—	—	358	
Total operating revenues	5,642	4,103	3,538	1,087	324	2,225	(131)	16,788	
Operating Expenses:									
Fuel used in electric generation and purchased power	1,391	1,441	1,391	243	97	690	(151)	5,102	
Cost of natural gas	—	—	—	44	20	—	—	64	
Operation, maintenance and other	1,420	1,031	601	235	103	512	3	3,905	
Depreciation and amortization	785	520	376	141	33	343	—	2,198	
Property and other taxes	206	120	256	183	11	67	—	843	
Impairment charges	—	—	4	—	—	8	—	12	
Total operating expenses	3,802	3,112	2,628	846	264	1,620	(148)	12,124	
(Losses) Gains on Sales of Other Assets and Other, net	(1)	2	—	2	—	—	—	3	
Operating Income	1,839	993	910	243	60	605	17	4,667	
Other Income and Expenses, net	121	47	30	4	2	15	(6)	213	
Interest Expense	316	188	143	51	12	136	2	848	
Income Before Income Taxes	1,644	852	797	196	50	484	9	4,032	
Income Tax Expense	568	287	296	67	15	165	21	1,419	
Segment Income	\$ 1,076	\$ 565	\$ 501	\$ 129	\$ 35	\$ 319	\$ (12)	\$ 2,613	

(a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Consolidating Segment Income
(Unaudited)

(In millions)	Nine Months Ended September 30, 2015							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities
Operating Revenues								
Regulated electric	\$ 5,669	\$ 4,130	\$ 3,803	\$ 725	\$ 280	\$ 2,223	\$ (160)	\$ 16,670
Regulated natural gas	—	—	—	339	80	—	1	420
Total operating revenues	5,669	4,130	3,803	1,064	360	2,223	(159)	17,090
Operating Expenses								
Fuel used in electric generation and purchased power	1,553	1,608	1,665	235	115	779	(180)	5,775
Cost of natural gas	—	—	—	82	34	—	1	117
Operation, maintenance and other	1,424	1,046	583	233	99	516	9	3,910
Depreciation and amortization	779	462	369	137	35	320	(6)	2,096
Property and other taxes	204	102	265	177	10	41	(1)	798
Impairment charges ^(b)	—	—	7	—	—	85	1	93
Total operating expenses	3,960	3,218	2,889	864	293	1,741	(176)	12,789
Gains on Sales of Other Assets and Other, net	—	2	—	7	1	—	—	10
Operating Income	1,709	914	914	207	68	482	17	4,311
Other Income and Expenses, net	125	49	12	(3)	1	9	(6)	187
Interest Expense	313	175	149	47	11	132	2	829
Income Before Income Taxes	1,521	788	777	157	58	359	9	3,669
Income Tax Expense ^(c)	553	279	274	59	21	131	41	1,358
Segment Income	\$ 968	\$ 509	\$ 503	\$ 98	\$ 37	\$ 228	\$ (32)	\$ 2,311

- (a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.
(b) The amount for Duke Energy Indiana relates to the Edwardsport settlement.
(c) Duke Energy Indiana includes a \$34 million tax benefit related to the Edwardsport settlement.

REGULATED UTILITIES
Consolidating Balance Sheets - Assets
(Unaudited)

(In millions)	September 30, 2016							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations/ Adjustments	Regulated Utilities
Current Assets								
Cash and cash equivalents	\$ 82	\$ 136	\$ 10	\$ 92	\$ 7	\$ 94	\$ —	\$ 421
Receivables, net	129	42	65	62	3	84	3	388
Receivables of variable interest entities, net	780	473	385	—	—	—	473	2,111
Receivables from affiliated companies	88	5	5	42	13	74	(215)	12
Notes receivable from affiliated companies	32	65	—	47	—	38	(62)	120
Inventory	1,053	998	656	65	45	424	(1)	3,240
Regulatory assets	256	186	161	13	6	131	(1)	752
Other	22	79	46	34	26	104	(1)	310
Total current assets	2,442	1,984	1,328	355	100	949	196	7,354
Investments and Other Assets								
Investments in equity method unconsolidated affiliates	—	—	2	—	—	—	—	2
Investments and advances to (from) subsidiaries	29	—	4	—	—	—	3	36
Nuclear decommissioning trust funds	3,234	2,171	708	—	—	—	(1)	6,112
Goodwill	—	—	—	920	—	—	15,030	15,950
Other	923	518	290	12	3	170	(45)	1,871
Total investments and other assets	4,186	2,689	1,004	932	3	170	14,987	23,971
Property, Plant and Equipment								
Cost	40,495	28,001	16,139	5,901	2,118	14,069	818	107,541
Accumulated depreciation and amortization	(14,124)	(10,508)	(4,654)	(1,621)	(945)	(4,225)	(4)	(36,081)
Generation facilities to be retired, net	—	562	—	—	—	90	—	652
Net property, plant and equipment	26,371	18,055	11,485	4,280	1,173	9,934	814	72,112
Regulatory Assets and Deferred Debits								
Regulatory assets	3,040	3,093	2,559	434	83	909	1,322	11,440
Other	3	2	2	2	—	2	—	11
Total regulatory assets and deferred debits	3,043	3,095	2,561	436	83	911	1,322	11,451
Total Assets	36,042	25,823	16,378	6,003	1,359	11,964	17,319	114,888
Intercompany balances and other	(159)	(117)	(65)	(53)	42	(46)	217	(181)
Reportable Segment Assets	\$ 35,883	\$ 25,706	\$ 16,313	\$ 5,950	\$ 1,401	\$ 11,918	\$ 17,538	\$ 114,707

(a) Excludes the balances of the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(In millions)	September 30, 2016							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations/ Adjustments	Regulated Utilities
Current Liabilities								
Accounts payable	\$ 582	\$ 319	\$ 354	\$ 221	\$ 23	\$ 166	\$ 3	\$ 1,668
Accounts payable to affiliated companies	149	143	61	1	9	27	2,790	3,180
Notes payable to affiliated companies	—	—	63	—	—	—	(63)	—
Taxes accrued	204	91	211	137	10	49	5	707
Interest accrued	125	81	58	29	3	54	—	350
Current maturities of long-term debt	468	252	326	3	51	71	81	1,252
Asset retirement obligations	303	236	—	—	—	—	—	539
Regulatory liabilities	125	129	18	11	2	30	1	316
Other	417	326	368	61	20	96	(3)	1,285
Total current liabilities	2,373	1,577	1,459	463	118	493	2,814	9,297
Long-Term Debt	8,592	6,609	5,802	1,521	287	3,566	2,153	28,530
Long-Term Debt Payable to Affiliated Companies	300	150	—	—	25	150	—	625
Deferred Credits and Other Liabilities								
Deferred income taxes	6,487	3,275	2,599	1,101	311	1,823	17	15,613
Investment tax credits	195	148	3	3	1	137	(1)	486
Accrued pension and other post-retirement benefit costs	93	247	237	36	12	72	(55)	642
Asset retirement obligations	3,622	4,623	798	21	86	847	203	10,200
Regulatory liabilities	2,864	1,874	478	190	52	738	—	6,196
Other	686	23	163	136	28	94	(10)	1,120
Total deferred credits and other liabilities	13,947	10,190	4,278	1,487	490	3,711	154	34,257
Equity	10,830	7,297	4,839	2,532	439	4,044	12,198	42,179
Total Liabilities and Equity	36,042	25,823	16,378	6,003	1,359	11,964	17,319	114,888
Intercompany balances and other	(159)	(117)	(65)	(53)	42	(46)	217	(181)
Reportable Segment Liabilities and Equity	\$ 35,883	\$ 25,706	\$ 16,313	\$ 5,950	\$ 1,401	\$ 11,918	\$ 17,536	\$ 114,707

(a) Excludes the balances of the wholly owned subsidiary, Duke Energy Kentucky.

REGULATED UTILITIES
Revenues By Customer Class
(Unaudited)

		Nine Months Ended September 30, 2016							
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities	
Regulated Electric Revenues									
Residential	\$ 2,324	\$ 1,500	\$ 1,910	\$ 486	\$ 100	\$ 754	\$ —	\$ 7,074	
General service	1,779	1,021	1,033	231	104	557	—	4,725	
Industrial	994	485	187	50	41	542	—	2,299	
Wholesale	340	834	150	—	13	265	—	1,602	
Change in unbilled	35	12	28	6	3	12	—	96	
Other revenues	170	251	230	18	1	95	(131)	634	
Total Electric Revenues	\$ 5,642	\$ 4,103	\$ 3,538	\$ 791	\$ 262	\$ 2,225	\$ (131)	\$ 16,430	
Regulated Natural Gas Revenues									
Residential	\$ —	\$ —	\$ —	\$ 198	\$ 45	\$ —	\$ —	\$ 243	
General service	—	—	—	80	17	—	—	97	
Industrial	—	—	—	10	3	—	—	13	
Change in unbilled	—	—	—	(5)	(3)	—	—	(8)	
Other revenues	—	—	—	13	—	—	—	13	
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 296	\$ 62	\$ —	\$ —	\$ 358	
		Nine Months Ended September 30, 2015							
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations / Adjustments	Regulated Utilities	
Regulated Electric Revenues									
Residential	\$ 2,389	\$ 1,565	\$ 2,028	\$ 458	\$ 100	\$ 785	\$ —	\$ 7,325	
General service	1,756	1,036	1,156	225	103	568	—	4,844	
Industrial	1,007	508	219	46	41	562	—	2,383	
Wholesale	335	778	187	—	29	228	—	1,557	
Change in unbilled	(50)	(16)	15	2	—	(19)	—	(68)	
Other revenues	232	259	198	(6)	7	99	(160)	629	
Total Electric Revenues	\$ 5,669	\$ 4,130	\$ 3,803	\$ 725	\$ 280	\$ 2,223	\$ (160)	\$ 16,670	
Regulated Natural Gas Revenues									
Residential	\$ —	\$ —	\$ —	\$ 228	\$ 58	\$ —	\$ —	\$ 286	
General service	—	—	—	95	23	—	—	118	
Industrial	—	—	—	13	4	—	—	17	
Wholesale	—	—	—	—	—	—	—	—	
Change in unbilled	—	—	—	(8)	(5)	—	—	(13)	
Other revenues	—	—	—	11	—	—	1	12	
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 339	\$ 80	\$ —	\$ 1	\$ 420	

(a) Amounts exclude results from the wholly owned subsidiary, Duke Energy Kentucky.

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

	Reported Earnings	Special Items					Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve, Mergers	International Impairment	Cost Savings Initiatives	Commercial Renewables Impairment				
SEGMENT INCOME									
Regulated Utilities	\$ 2,613	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,613
International Energy	85	—	145 B	—	—	—	—	145	230
Commercial Portfolio	20	—	—	—	45 D	—	—	45	65
Total Reportable Segment Income	2,718	—	145	—	45	—	—	190	2,908
Other	(463)	195 A	—	39 C	—	—	—	234	(229)
Total Reportable Segment Income and Other Net Expense	2,255	195	145	39	45	—	—	424	2,679
Discontinued Operations	124	—	—	—	—	(124) E	(124)	—	—
Net Income Attributable to Duke Energy Corporation	\$ 2,379	\$ 195	\$ 145	\$ 39	\$ 45	\$ (124)	\$ 300	\$ 2,679	
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 3.45	\$ 0.27	\$ 0.21	\$ 0.06	\$ 0.07	\$ (0.18)	\$ 0.43	\$ 3.88	
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.44	\$ 0.28	\$ 0.21	\$ 0.06	\$ 0.07	\$ (0.18)	\$ 0.44	\$ 3.88	

A - Net of \$120 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$80 million recorded within Operating Expenses and \$234 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of \$49 million tax benefit. Impairment of certain assets in Central America recorded within Impairment Charges on the Condensed Consolidated Statements of Operations.

C - Net of \$24 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

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

E - Tax adjustments related to previously disposed businesses recorded in Income (Loss) From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) - in millions

Basic	689
Diluted	690

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Nine Months Ended September 30, 2015
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items				Economic Hedges (Mark-to-Market) *	Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve, Progress Merger	Edwardsport Settlement	Midwest Generation Operations	Ash Basin Settlement				
SEGMENT INCOME									
Regulated Utilities	\$ 2,311	\$ —	\$ 56 B	\$ —	\$ 4 D	\$ —	\$ —	\$ 60	\$ 2,371
International Energy	157	—	—	—	—	—	—	—	157
Commercial Portfolio	(15)	—	—	94 C	—	(1) E	41 F	134	119
Total Reportable Segment Income	2,453	—	56	94	4	(1)	41	194	2,647
Other	(139)	42 A	—	—	—	—	—	42	(97)
Intercompany Eliminations	(4)	—	—	—	—	—	4 G	4	—
Total Reportable Segment Income and Other Net Expense	2,310	42	56	94	4	(1)	45	240	2,550
Discontinued Operations	29	—	—	(94) C	—	—	65 H	(29)	—
Net Income Attributable to Duke Energy Corporation	\$ 2,339	\$ 42	\$ 56	\$ —	\$ 4	\$ (1)	\$ 110	\$ 211	\$ 2,550
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC									
	\$ 3.36	\$ 0.05	\$ 0.08	\$ —	\$ 0.01	\$ —	\$ 0.16	\$ 0.30	\$ 3.66
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED									
	\$ 3.36	\$ 0.05	\$ 0.08	\$ —	\$ 0.01	\$ —	\$ 0.16	\$ 0.30	\$ 3.66

- A - Net of \$25 million tax benefit. Recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.
- B - Net of \$34 million tax benefit. \$85 million recorded within Impairment charges and \$5 million recorded within Other income and expenses, net on the Duke Energy Indiana Condensed Consolidated Statements of Operations.
- C - Operating results of the nonregulated Midwest generation business that had been classified from discontinued operations after adjustment for special items and economic hedges (net of \$53 million tax benefit).
- D - Net of \$3 million tax benefit. Recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations. Includes \$1 million and \$6 million at Duke Energy Carolinas and Duke Energy Progress, respectively.
- E - Recorded within Operating Revenues on the Condensed Consolidated Statements of Operations.
- F - State tax expense resulting from the completion of the sale of the nonregulated Midwest generation business.
- G - Reverses the impact on eliminations of classifying the nonregulated Midwest generation business as discontinued operations.
- H - Recorded in (Loss) Income From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations, and includes the impact of a litigation reserve related to the nonregulated Midwest generation business.

Weighted Average Shares (reported and adjusted) - in millions
Basic 696
Diluted 696

* Mark-to-market adjustments reflect the impact of derivative contracts, which are used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Portfolio segment. The mark-to-market impact of derivative contracts is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory treatment. The economic value of generation assets is subject to fluctuations in fair value due to market price volatility of input and output commodities (e.g. coal, electricity, natural gas). Economic hedging involves both purchases and sales of those input and output commodities related to generation assets. Operations of the generation assets are accounted for under the accrual method. Management believes excluding impacts of mark-to-market changes of the derivative contracts from adjusted earnings until settlement better matches the financial impacts of the derivative contract with the portion of economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, adjusted earnings and adjusted diluted EPS. These items represent income from continuing operations net of income (loss) attributable to noncontrolling interests, adjusted for the dollar and per-share impact of special items. Special items represent certain charges and credits, which management believes are not indicative of our ongoing performance, and are discussed below. Management believes the presentation of adjusted earnings and 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 these non-GAAP financial measures for planning and forecasting and for reporting results to the Board of Directors, employees, stockholders, analysts and investors concerning Duke Energy's financial performance. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation and Diluted EPS Attributable to Duke Energy Corporation common stockholders.

Special items included in the periods presented include the following:

- Costs to achieve mergers and International impairment represent charges that result from potential or completed strategic acquisitions and divestitures that do not reflect ongoing costs.
- Cost savings initiatives represents severance charges related to company-wide initiatives to standardize processes and systems, leverage technology and workforce optimization, which are not representative of ongoing costs.
- Commercial Renewables Impairment represents an other-than-temporary impairment of certain equity method investments. Management believes the impairment does not reflect an ongoing cost.
- Edwardsport settlement and Ash basin settlement represent charges related to settlement agreements with regulators and other governmental entities and do not represent ongoing costs.
- Midwest generation operations represents the operating results of the nonregulated Midwest generation business and Duke Energy Retail Sales (collectively, the Midwest Generation Disposal Group), which have been classified as discontinued operations. Management believes inclusion of the Midwest Generation Disposal Group's operating results within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, 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 for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations net of income attributable to noncontrolling interests. Segment income includes intercompany revenues and expenses that are eliminated in the Condensed Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted Other net expenses and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items for future periods, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other entities may not calculate the measures in the same manner.

**UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
 Pursuant to Section 13 or 15(d) of the
 Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 22, 2017

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
------------------------	--	---------------------------------

DUKE ENERGY CORPORATION

(a Delaware corporation)

550 South Tryon Street

Charlotte, North Carolina 28202-1803

704-382-3853

1-32853

20-2777218



Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	DUKE ENERGY INDIANA, LLC. (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-3274	DUKE ENERGY FLORIDA, LLC (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770	1-6196	PIEDMONT NATURAL GAS COMPANY, INC. (a North Carolina corporation) 4720 Piedmont Row Drive Charlotte, North Carolina 28210 704-364-3120 56-556998

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Conditions.

The information attached hereto as exhibit 99.1 provides supplemental financial information for Duke Energy Corporation and Subsidiary Registrants.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 First Quarter 2017 Statistical Supplement

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC
PIEDMONT NATURAL GAS COMPANY, INC.**

Date: May 22, 2017

By: /s/ William E. Currens Jr.
Name: William E. Currens Jr.
Title: Senior Vice President, Chief Accounting Officer and Controller

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	First Quarter 2017 Statistical Supplement



1st Quarter 2017 Statistical Supplement

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Duke Energy and Piedmont Natural Gas

This Statistical Supplement includes results of Piedmont Natural Gas (Piedmont) subsequent to the acquisition on October 3, 2016, and should be read in conjunction with i) Duke Energy and Piedmont's combined Form 10-Q for the three months ended March 31, 2017, ii) Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2016, iii) Piedmont's Annual Report on Form 10-K for the year ended October 31, 2016, and iv) the transition report filed by Piedmont on Form 10-Q as of December 31, 2016, for the transition period from November 1, 2016 to December 31, 2016.

Segment Change

Due to the Piedmont acquisition and the sale of International Energy in the fourth quarter of 2016, Duke Energy's segment structure has been realigned to include the following segments: Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The remainder of Duke Energy's operations is presented as Other. Other now includes the results of National Methanol Company (NMC), previously included in the International Energy segment.

Prior periods have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Three Months Ended March 31, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 4,947	\$ —	\$ —	\$ —	\$ (34)	\$ 4,913
Regulated natural gas	—	668	—	—	(22)	646
Nonregulated electric and other	—	2	128	33	7	170
Total operating revenues	4,947	670	128	33	(49)	5,729
Operating Expenses						
Fuel used in electric generation and purchased power	1,454	—	—	15	(20)	1,449
Cost of natural gas	—	258	—	—	—	258
Operation, maintenance and other	1,271	105	77	8	(28)	1,433
Depreciation and amortization	737	57	39	26	—	859
Property and other taxes	261	30	9	3	1	304
Total operating expenses	3,723	450	125	52	(47)	4,303
Gains on Sales of Other Assets and Other, net	3	—	2	5	1	11
Operating Income (Loss)	1,227	220	5	(14)	(1)	1,437
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	—	17	(1)	13	—	29
Other income and expenses, net	79	1	—	8	(2)	86
Total Other Income and Expenses	79	18	(1)	21	(2)	115
Interest Expense	315	26	19	134	(3)	491
Income (Loss) from Continuing Operations Before Income Taxes	991	212	(15)	(127)	—	1,061
Income Tax Expense (Benefit) from Continuing Operations	356	79	(39)	(52)	—	344
Income (Loss) from Continuing Operations	635	133	24	(75)	—	717
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	2	—	1
Segment Income / Other Net Expense / Net Income Attributable to Duke Energy Corporation	\$ 635	\$ 133	\$ 25	\$ (77)	\$ —	\$ 716
Special Items	—	—	—	10	—	10
Adjusted Earnings^(a)	\$ 635	\$ 133	\$ 25	\$ (67)	\$ —	\$ 726

(a) See page 16 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

Three Months Ended March 31, 2016 ^(a)							
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	International Energy	Eliminations / Adjustments	Duke Energy
Operating Revenues							
Regulated electric	\$ 5,089	\$ —	\$ —	\$ —	\$ —	(36)	\$ 5,053
Regulated natural gas	—	170	—	—	—	(1)	169
Nonregulated electric and other	—	—	114	29	—	12	155
Total operating revenues	5,089	170	114	29	—	(25)	5,377
Operating Expenses							
Fuel used in electric generation and purchased power	1,577	—	—	11	—	—	1,588
Cost of natural gas	—	49	—	—	—	—	49
Operation, maintenance and other	1,298	32	73	36	—	(23)	1,416
Depreciation and amortization	709	20	30	34	—	—	793
Property and other taxes	262	18	6	9	—	—	295
Impairment charges	2	—	—	2	—	(1)	3
Total operating expenses	3,848	119	109	92	—	(24)	4,144
Gains on Sales of Other Assets and Other, net	1	—	1	5	—	—	7
Operating Income (Loss)	1,242	51	6	(58)	—	(1)	1,240
Other Income and Expenses							
Equity in earnings (losses) of unconsolidated affiliates	—	2	(2)	7	—	1	8
Other income and expenses, net	63	1	—	10	—	(4)	70
Total Other Income and Expenses	63	3	(2)	17	—	(3)	78
Interest Expense^(b)	270	7	11	205	—	(4)	489
Income (Loss) from Continuing Operations Before Income Taxes	1,035	47	(7)	(246)	—	—	829
Income Tax Expense (Benefit) from Continuing Operations	371	15	(33)	(101)	—	—	252
Income (Loss) from Continuing Operations	664	32	26	(145)	—	—	577
Less: Net Income Attributable to Noncontrolling Interest	—	—	—	3	—	—	3
Segment Income / Other Net Expense	\$ 664	\$ 32	\$ 26	\$ (148)	\$ —	\$ —	\$ 574
Income from Discontinued Operations, net of tax							120
Net Income Attributable to Duke Energy Corporation							\$ 694
Segment Income / Other Net Expense	\$ 664	\$ 32	\$ 26	\$ (148)	\$ —	\$ —	\$ 574
Special Items^(c)							203
Adjusted Earnings^(d)	\$ 664	\$ 32	\$ 26	\$ (62)	\$ 117	\$ —	\$ 777

- (a) Amounts have been recast to conform to the current segment structure.
(b) Other includes \$100 million related to Piedmont acquisition financing, primarily due to losses on forward-starting interest rate swaps.
(c) International Energy amount represents the operating results of the International Disposal Group classified as discontinued operations.
(d) See page 17 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

	March 31, 2017					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 56	\$ 17	\$ 9	\$ 796	\$ —	\$ 878
Receivables, net	384	188	11	40	—	623
Receivables of variable interest entities, net	1,649	—	33	—	—	1,682
Receivables from affiliated companies	35	26	1,224	2,565	(3,850)	—
Notes receivable from affiliated companies	231	70	—	686	(987)	—
Inventory	3,276	52	12	26	—	3,366
Regulatory assets	847	97	—	86	1	1,031
Other	316	22	149	(2)	(60)	425
Total current assets	6,794	472	1,438	4,197	(4,896)	8,005
Property, Plant and Equipment						
Cost	108,023	9,065	4,334	1,879	—	123,301
Accumulated depreciation and amortization	(36,610)	(2,084)	(570)	(1,028)	(1)	(40,293)
Generation facilities to be retired, net	508	—	—	—	—	508
Net property, plant and equipment	71,921	6,981	3,764	851	(1)	83,518
Other Noncurrent Assets						
Goodwill	17,379	1,924	122	—	—	19,425
Regulatory assets	11,582	754	—	502	—	12,838
Nuclear decommissioning trust funds	6,448	—	—	—	—	6,448
Investments in equity method unconsolidated affiliates	93	751	184	94	—	1,122
Investments and advances to (from) subsidiaries	227	—	9	52,002	(52,238)	—
Other	1,909	33	116	1,327	(631)	2,754
Total other noncurrent assets	37,638	3,462	431	53,925	(52,869)	42,587
Total Assets	116,353	10,915	5,633	58,973	(57,766)	134,108
Segment reclassifications, intercompany balances and other	(587)	(49)	(1,233)	(56,075)	57,944	—
Segment Assets	\$ 115,766	\$ 10,866	\$ 4,400	\$ 2,898	\$ 178	\$ 134,108

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

March 31, 2017						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,664	\$ 181	\$ 26	\$ 333	\$ (1)	\$ 2,203
Accounts payable to affiliated companies	3,149	3	8	662	(3,822)	—
Notes payable to affiliated companies	493	258	—	250	(1,001)	—
Notes payable and commercial paper	—	—	—	3,558	—	3,558
Taxes accrued	355	102	(295)	201	—	363
Interest accrued	374	37	—	115	—	526
Current maturities of long-term debt	1,015	35	227	700	—	1,977
Asset retirement obligations	404	—	—	—	—	404
Regulatory liabilities	332	2	—	5	1	340
Other	1,095	75	54	417	(71)	1,570
Total current liabilities	8,881	693	20	6,241	(4,894)	10,941
Long-Term Debt	28,909	2,439	1,645	14,027	1	47,021
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	15,891	1,459	366	(3,273)	—	14,443
Asset retirement obligations	10,054	43	87	1	1	10,186
Regulatory liabilities	6,202	738	—	32	—	6,972
Accrued pension and other post-retirement benefit costs	724	31	—	360	—	1,115
Investment tax credits	533	3	—	—	1	537
Other	859	236	272	344	(4)	1,707
Total other noncurrent liabilities	34,263	2,510	725	(2,536)	(2)	34,960
Equity						
Total Duke Energy Corporation stockholders' equity	43,682	5,266	3,217	41,251	(52,237)	41,179
Noncontrolling interests	—	—	17	(10)	—	7
Total equity	43,682	5,266	3,234	41,241	(52,237)	41,186
Total Liabilities and Equity	116,353	10,915	5,633	58,973	(57,766)	134,108
Segment reclassifications, intercompany balances and other	(587)	(49)	(1,233)	(56,075)	57,944	—
Segment Liabilities and Equity	\$ 115,766	\$ 10,866	\$ 4,400	\$ 2,898	\$ 178	\$ 134,108

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 1,716	\$ 1,219	\$ 959	\$ 337	\$ 758	\$ —	\$ (42)	\$ 4,947
Operating Expenses								
Fuel used in electric generation and purchased power	428	364	362	97	251	—	(48)	1,454
Operation, maintenance and other	474	345	187	90	173	1	1	1,271
Depreciation and amortization	254	181	132	45	125	—	—	737
Property and other taxes	68	40	77	55	22	—	(1)	261
Impairment charges	—	—	1	—	(1)	—	—	—
Total operating expenses	1,224	930	759	287	570	1	(48)	3,723
Gains on Sales of Other Assets and Other, net	1	2	—	—	—	—	—	3
Operating Income (Loss)	493	291	200	50	188	(1)	6	1,227
Other income and Expenses, net^(b)	37	19	15	2	9	1	(4)	79
Interest Expense	103	82	70	15	44	—	1	315
Income Before Income Taxes	427	228	145	37	153	—	1	991
Income Tax Expense	151	78	53	13	60	—	1	356
Segment income	\$ 276	\$ 150	\$ 92	\$ 24	\$ 93	\$ —	\$ —	\$ 635

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$30 million for Duke Energy Carolinas, \$13 million for Duke Energy Progress, \$11 million for Duke Energy Florida, \$2 million for Duke Energy Ohio, and \$6 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2016 ^(a)							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(b)	Duke Energy Indiana	Commercial Transmission	Eliminations / Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 1,740	\$ 1,307	\$ 1,024	\$ 340	\$ 714	\$ —	\$ (36)	\$ 5,089
Operating Expenses								
Fuel used in electric generation and purchased power	421	448	412	111	228	—	(43)	1,577
Operation, maintenance and other	492	373	199	76	158	1	(1)	1,298
Depreciation and amortization	254	175	114	42	125	—	(1)	709
Property and other taxes	67	41	78	52	23	—	1	262
Impairment charges	—	—	2	—	—	—	—	2
Total operating expenses	1,234	1,037	805	281	534	1	(44)	3,848
Gains on Sales of Other Assets and Other, net	—	1	—	—	—	—	—	1
Operating Income (Loss)	506	271	219	59	180	(1)	8	1,242
Other Income and Expenses, net ^(c)	37	17	5	2	4	1	(3)	63
Interest Expense	107	63	41	14	44	—	1	270
Income Before Income Taxes	436	225	183	47	140	—	4	1,035
Income Tax Expense	148	80	69	11	43	—	20	371
Segment Income	\$ 288	\$ 145	\$ 114	\$ 36	\$ 97	\$ —	\$ (16)	\$ 664

- (a) Amounts have been recast to conform to the current segment structure.
(b) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(c) Includes an equity component of allowance for funds used during construction of \$23 million for Duke Energy Carolinas, \$10 million for Duke Energy Progress, \$4 million for Duke Energy Florida, \$1 million for Duke Energy Ohio, and \$3 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	March 31, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Assets								
Cash and cash equivalents	\$ 11	\$ 11	\$ 7	\$ 12	\$ 15	\$ —	\$ —	\$ 56
Receivables, net	166	28	50	65	72	—	3	384
Receivables of variable interest entities, net	563	364	248	—	—	—	474	1,649
Receivables from affiliated companies	109	6	2	50	83	—	(217)	35
Notes receivable from affiliated companies	—	—	293	109	199	—	(370)	231
Inventory	1,051	1,053	598	95	478	—	1	3,276
Regulatory assets	233	187	260	6	156	—	5	847
Other	61	100	105	13	35	—	2	316
Total current assets	2,194	1,749	1,563	350	1,038	2	(102)	6,794
Property, Plant and Equipment								
Cost	41,600	28,769	17,122	5,467	14,411	4	650	108,023
Accumulated depreciation and amortization	(14,649)	(10,716)	(4,894)	(1,916)	(4,426)	(1)	(8)	(36,610)
Generation facilities to be retired, net	—	508	—	—	—	—	—	508
Net property, plant and equipment	26,951	18,561	12,228	3,551	9,985	3	642	71,921
Other Noncurrent Assets								
Goodwill	—	—	—	596	—	—	16,783	17,379
Regulatory assets	3,098	3,338	2,476	345	1,066	—	1,259	11,582
Nuclear decommissioning trust funds	3,406	2,315	726	—	—	—	1	6,448
Investments in equity method unconsolidated affiliates	—	—	1	—	—	93	(1)	93
Investments and advances to (from) subsidiaries	47	10	3	164	—	—	3	227
Other	927	536	267	18	152	—	9	1,909
Total other noncurrent assets	7,478	6,199	3,473	1,123	1,218	93	18,054	37,638
Total Assets	36,623	26,509	17,264	5,024	12,241	98	18,594	116,353
Intercompany balances and other	(297)	(205)	(80)	(183)	(6)	(55)	239	(587)
Reportable Segment Assets	\$ 36,326	\$ 26,304	\$ 17,184	\$ 4,841	\$ 12,235	\$ 43	\$ 18,833	\$ 115,766

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	March 31, 2017								
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure	
Current Liabilities									
Accounts payable	\$ 602	\$ 317	\$ 361	\$ 172	\$ 209	\$ —	\$ 3	\$ 1,664	
Accounts payable to affiliated companies	250	244	77	15	6	55	2,502	3,149	
Notes payable to affiliated companies	337	502	—	11	—	—	(357)	493	
Taxes accrued	90	35	63	88	73	1	5	355	
Interest accrued	134	90	76	23	52	—	(1)	374	
Current maturities of long-term debt	404	202	319	1	3	—	86	1,015	
Asset retirement obligations	224	180	—	—	—	—	—	404	
Regulatory liabilities	118	149	7	14	44	—	—	332	
Other	345	294	309	74	75	—	(2)	1,095	
Total current liabilities	2,504	2,013	1,212	398	462	56	2,236	8,881	
Long-Term Debt	8,787	6,409	6,662	1,490	3,631	—	1,930	28,909	
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618	
Other Noncurrent Liabilities									
Deferred income taxes	6,712	3,460	2,802	980	1,922	4	11	15,891	
Asset retirement obligations	3,658	4,516	773	47	867	—	193	10,054	
Regulatory liabilities	2,860	2,012	459	128	743	—	—	6,202	
Accrued pension and other post-retirement benefit costs	103	247	261	36	77	—	—	724	
Investment tax credits	237	146	3	1	148	—	(2)	533	
Other	595	50	101	94	25	—	(6)	859	
Total other noncurrent liabilities	14,165	10,431	4,399	1,286	3,782	4	196	34,263	
Equity	10,867	7,506	4,991	1,832	4,216	38	14,232	43,682	
Total Liabilities and Equity	36,623	26,509	17,264	5,024	12,241	98	18,594	116,353	
Intercompany balances and other	(297)	(205)	(80)	(183)	(6)	(55)	239	(587)	
Reportable Segment Liabilities and Equity	\$ 36,326	\$ 26,304	\$ 17,184	\$ 4,841	\$ 12,235	\$ 43	\$ 18,833	\$ 115,766	

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues					
Regulated natural gas	\$ 170	\$ 498	\$ —	\$ —	\$ 668
Nonregulated natural gas and other	—	2	—	—	2
Operating Revenues	170	500	—	—	670
Operating Expenses					
Cost of natural gas	54	205	—	(1)	258
Operation, maintenance and other	32	72	1	—	105
Depreciation and amortization	22	35	—	—	57
Property and other taxes	17	13	—	—	30
Total operating expenses	125	325	1	(1)	450
Operating Income (Loss)	45	175	(1)	1	220
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	17	—	17
Other income and expenses, net	1	—	—	—	1
Total Other Income and Expenses	1	—	17	—	18
Interest Expense	7	19	—	—	26
Income Before Income Taxes	39	156	16	1	212
Income Tax Expense	13	59	6	1	79
Segment Income	\$ 26	\$ 97	\$ 10	\$ —	\$ 133

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2016			
	Duke Energy Ohio ^(a)	Midstream Pipelines	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 170	\$ —	\$ —	\$ 170
Operating Expenses				
Cost of natural gas	49	—	—	49
Operation, maintenance and other	32	—	—	32
Depreciation and amortization	20	—	—	20
Property and other taxes	18	—	—	18
Total operating expenses	119	—	—	119
Operating Income	51	—	—	51
Other Income and Expenses	1	2	—	3
Interest Expense	7	—	—	7
Income Before Income Taxes	45	2	—	47
Income Tax Expense	14	1	—	15
Segment Income	\$ 31	\$ 1	\$ —	\$ 32

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(In millions)	March 31, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ 2	\$ 15	\$ —	\$ —	\$ 17
Receivables, net	(4)	193	—	(1)	188
Receivables from affiliated companies	17	7	—	2	26
Notes receivable from affiliated companies	70	—	—	—	70
Inventory	23	29	—	—	52
Regulatory assets	(1)	98	—	—	97
Other	—	21	—	1	22
Total current assets	107	363	—	2	472
Property, Plant and Equipment					
Cost	2,769	6,296	—	—	9,065
Accumulated depreciation and amortization	(695)	(1,389)	—	—	(2,084)
Net property, plant and equipment	2,074	4,907	—	—	6,981
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	196	350	—	208	754
Investments in equity method unconsolidated affiliates	—	—	751	—	751
Other	3	19	12	(1)	33
Total other noncurrent assets	523	418	763	1,758	3,462
Total Assets	2,704	5,688	763	1,760	10,915
Intercompany balances and other	—	112	(25)	(136)	(49)
Reportable Segment Assets	\$ 2,704	\$ 5,800	\$ 738	\$ 1,624	\$ 10,866

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	March 31, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 76	\$ 104	\$ —	\$ 1	\$ 181
Accounts payable to affiliated companies	—	—	25	(22)	3
Notes payable to affiliated companies	(3)	261	—	—	258
Taxes accrued	11	(5)	97	(1)	102
Interest accrued	10	27	—	—	37
Current maturities of long-term debt	—	35	—	—	35
Regulatory liabilities	8	(5)	—	(1)	2
Other	5	70	—	—	75
Total current liabilities	107	487	122	(23)	693
Long-Term Debt	462	1,786	—	191	2,439
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	485	951	24	(1)	1,459
Asset retirement obligations	28	14	—	1	43
Regulatory liabilities	109	613	—	16	738
Accrued pension and other post-retirement benefit costs	17	14	—	—	31
Investment tax credits	2	1	—	—	3
Other	68	167	—	1	236
Total other noncurrent liabilities	709	1,760	24	17	2,510
Equity	1,419	1,655	617	1,575	5,266
Total Liabilities and Equity	2,704	5,688	763	1,760	10,915
Intercompany balances and other	—	112	(25)	(136)	(49)
Reportable Segment Liabilities and Equity	\$ 2,704	\$ 5,800	\$ 738	\$ 1,624	\$ 10,866

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

Revenues By Customer Class
(Unaudited)

Three Months Ended March 31, 2017									
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont Natural Gas	Eliminations / Adjustments	Total	
Regulated Electric Revenues									
Residential	\$ 694	\$ 463	\$ 479	\$ 193	\$ 276	\$ —	\$ —	\$ 2,105	
General service	499	292	304	107	183	—	—	1,385	
Industrial	266	146	60	29	185	—	—	686	
Wholesale	119	275	39	7	79	—	—	519	
Change in unbilled	(18)	(31)	8	(15)	(17)	—	—	(73)	
Other revenues	156	74	69	16	52	—	(42)	325	
Total Electric Revenues	\$ 1,716	\$ 1,219	\$ 959	\$ 337	\$ 758	\$ —	\$ (42)	\$ 4,947	
Regulated Natural Gas Revenues									
Residential	\$ —	\$ —	\$ —	\$ 120	\$ —	\$ 294	\$ —	\$ 414	
Commercial	—	—	—	51	—	144	—	195	
Industrial	—	—	—	7	—	40	—	47	
Power Generation	—	—	—	—	—	21	—	21	
Change in unbilled	—	—	—	(13)	—	(38)	—	(51)	
Other revenues	—	—	—	5	—	37	—	42	
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 170	\$ —	\$ 498	\$ —	\$ 668	

Three Months Ended March 31, 2016									
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Eliminations / Adjustments		Total	
Regulated Electric Revenues									
Residential	\$ 787	\$ 514	\$ 520	\$ 198	\$ 269	\$ —		\$ 2,288	
General service	526	311	307	108	171	—		1,423	
Industrial	287	148	62	29	171	—		697	
Wholesale	114	268	58	5	88	—		533	
Change in unbilled	6	(9)	2	(6)	(9)	—		(16)	
Other revenues	20	75	75	6	24	(36)		164	
Total Electric Revenues	\$ 1,740	\$ 1,307	\$ 1,024	\$ 340	\$ 714	\$ (36)		\$ 5,089	
Regulated Natural Gas Revenues									
Residential	\$ —	\$ —	\$ —	\$ 115	\$ —	\$ —		\$ 115	
Commercial	—	—	—	48	—	—		48	
Industrial	—	—	—	7	—	—		7	
Change in unbilled	—	—	—	(3)	—	—		(3)	
Other revenues	—	—	—	3	—	—		3	
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 170	\$ —	\$ —		\$ 170	

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

	Reported Earnings	Special Item	Adjusted Earnings
		Costs to Achieve Piedmont Merger	
SEGMENT INCOME			
Electric Utilities and Infrastructure	\$ 635	\$ —	\$ 635
Gas Utilities and Infrastructure	133	—	133
Commercial Renewables	25	—	25
Total Reportable Segment Income	793	—	793
Other	(77)	10 A	(67)
Net Income Attributable to Duke Energy Corporation	\$ 716	\$ 10	\$ 726
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.02	\$ 0.02	\$ 1.04

A - Net of \$6 million tax benefit. \$15 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

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

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

	Reported Earnings	Special Items			Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Mergers	Cost Savings Initiatives	International Energy Operations			
SEGMENT INCOME							
Electric Utilities and Infrastructure	\$ 664	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 664
Gas Utilities and Infrastructure	32	—	—	—	—	—	32
Commercial Renewables	26	—	—	—	—	—	26
Total Reportable Segment Income	722	—	—	—	—	—	722
International Energy	—	—	—	117 C	—	117	117
Other	(148)	74 A	12 B	—	—	86	(62)
Discontinued Operations	120	—	—	(117) C	(3) D	(120)	—
Net Income Attributable to Duke Energy Corporation	\$ 694	\$ 74	\$ 12	\$ —	\$ (3)	\$ 83	\$ 777
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.01	\$ 0.11	\$ 0.02	\$ —	\$ (0.01)	\$ 0.12	\$ 1.13

A - Net of \$46 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$19 million recorded within Operating Expenses and \$100 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of \$8 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

C - Includes \$39 million tax benefit. Operating results of the International Disposal Group classified as discontinued operations.

D - Recorded in Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

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

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS.

Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and 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 earnings and 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 these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation and Diluted EPS Attributable to Duke Energy Corporation common stockholders, respectively.

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 represents severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.

Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, 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 for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.


Due to the forward-looking nature of any forecasted adjusted segment income or adjusted 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 is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 1, 2017

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	 DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-0165465

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

- If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events.

On June 1, 2017, Duke Energy Progress, LLC ("Duke Energy Progress") filed a rate case with the North Carolina Utilities Commission (the "NCUC") to request an average 14.9% increase in retail revenues, or approximately \$477 million, with an overall rate of return of approximately 7.66% based on approval of a 10.75% return on equity and a 53% equity component of the capital structure. The request is premised upon a North Carolina rate base of \$8.1 billion as of December 31, 2016, and adjusted for known and measurable changes through August 2017.

Hearings are expected to commence late this year and, if approved by the NCUC, rates would likely go in effect on January 1, 2018.

An overview providing additional detail on the filing is attached to this Form 8-K as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Duke Energy Progress Summary of 2017 Rate Case Filing in North Carolina

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DUKE ENERGY CORPORATION

Dated: June 1, 2017

/s/ Julia S. Janson
Julia S. Janson
Executive Vice President, External Affairs, Chief Legal Officer
and Corporate Secretary

EXHIBIT INDEX

Exhibit	Description
99.1	Duke Energy Progress Summary of 2017 Rate Case Filing in North Carolina

**Duke Energy Progress
Summary of 2017 Rate Case Filing in North Carolina**

- On June 1, 2017, Duke Energy Progress filed a rate case with the North Carolinas Utilities Commission (NCUC) to request an average 14.9 percent increase in retail revenues, or approximately \$477 million:
 - o The rate case filing requests an overall rate of return of 7.66% based on approval of a 10.75% return on equity and a 53% equity component of the capital structure
 - o The filing is based on a North Carolina rate base of \$8.1 billion as of December 31, 2016 and adjusted for known and measurable changes through August 2017 (hearings are expected to commence late this year)

- **This rate increase request is driven by:**

Drivers	Revenue Requirement	% of Total Request
Significant Plant Additions and Changes	\$253 million	53%
Coal Ash Pond Closure costs	\$195 million	41%
All other changes to rate base, operating costs, and operating revenues	\$29 million	6%

- **Major capital investments¹ including pro-forma adjustments to reflect known and measurable changes include:**
 - o Four new solar sites - \$184 million
 - o Combustion Turbine Units at the Sutton site - \$120 million
 - o Additional investment to complete the combined cycle natural gas-fueled units at the Sutton site (Construction Work-In-Progress included in the 2013 rate case) - \$103 million
 - o Zero Liquid Discharge wastewater treatment system at the Mayo site - \$141 million
 - o Construction Work-In-Progress for the new natural gas-fueled units at the Asheville site (Western Carolinas Modernization Project) - \$193 million
- **Coal Ash Pond Closure costs include:**
 - o \$67 million to recover previously incurred expenses over a five year period
 - o \$129 million for ongoing expenses
- The request also includes the recovery of deferred storm costs, including costs incurred to restore service from the historic impacts of Hurricane Matthew, in the amount of \$30 million per year for three years.
- The Company has requested the NCUC approve the requested rates to be effective Jan. 1, 2018.

¹ Represents Duke Energy Progress total investment, which is allocated ~60% to NC.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 14, 2017

DUKE ENERGY CORPORATION
(a Delaware corporation)



1-32853
Commission file
number

20-2777218
IRS Employer
Identification No.

550 South Tryon Street
Charlotte, North Carolina 28202-1803
704-382-3853

Registrant, State of Incorporation or Organization,
Address of Principal Executive Offices, and Telephone Number

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company
 - If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
-
-

Item 1.01. Entry into a Material Definitive Agreement.

On June 14, 2017, Duke Energy Corporation (the "Corporation") entered into a \$1,000,000,000 Credit Agreement, dated as of June 14, 2017, among the Corporation, as Borrower, the lenders listed therein, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents. The proceeds of loans made under the credit agreement will be used by the Corporation for general corporate purposes.

The disclosure in this Item 1.01 is qualified in its entirety by the provisions of the credit agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

10.1 \$1,000,000,000 Credit Agreement, dated as of June 14, 2017, among Duke Energy Corporation, the lenders listed therein, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DUKE ENERGY CORPORATION

Date: June 14, 2017

By: /s/ Robert T. Lucas III
Name: Robert T. Lucas III
Title: Assistant Secretary

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
10.1	\$1,000,000,000 Credit Agreement, dated as of June 14, 2017, among Duke Energy Corporation, the Lenders party thereto, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents.

Exhibit 10.1

EXECUTION VERSION

\$1,000,000,000

CREDIT AGREEMENT

dated as of June 14, 2017

among

Duke Energy Corporation,
as Borrower,

The Lenders Listed Herein,

The Bank of Nova Scotia,
as Administrative Agent,

and

PNC Bank, National Association,
Sumitomo Mitsui Banking Corporation and
TD Bank, N.A.,
as Co-Syndication Agents

and

Bank of China, New York Branch
BNP Paribas
Santander Bank, N.A. and
U.S. Bank National Association,
as Co-Documentation Agents

The Bank of Nova Scotia
PNC Capital Markets LLC
Sumitomo Mitsui Banking Corporation and
TD Bank, N.A.,
as Joint Lead Arrangers and Joint Bookrunners

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CREDIT AGREEMENT

CREDIT AGREEMENT dated as of June 14, 2017 among DUKE ENERGY CORPORATION, as Borrower, the Lenders from time to time party hereto, THE BANK OF NOVA SCOTIA, as Administrative Agent, PNC BANK, NATIONAL ASSOCIATION, SUMITOMO MITSUI BANKING CORPORATION and TD BANK, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions.* The following terms, as used herein, have the following meanings:

“**Administrative Agent**” means Scotiabank in its capacity as administrative agent for the Lenders hereunder, and its successors in such capacity.

“**Administrative Questionnaire**” means, with respect to each Lender, the administrative questionnaire in the form submitted to such Lender by the Administrative Agent and submitted to the Administrative Agent (with a copy to the Borrower) duly completed by such Lender.

“**Affiliate**” means, as to any Person (the “**specified Person**”) (i) any Person that directly, or indirectly through one or more intermediaries, controls the specified Person (a “**Controlling Person**”) or (ii) any Person (other than the specified Person or a Subsidiary of the specified Person) which is controlled by or is under common control with a Controlling Person. As used herein, the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Agent**” means any of the Administrative Agent, the Co-Syndication Agents or the Co-Documentation Agents.

“**Aggregate Exposure**” means, with respect to any Lender at any time, (i) an amount equal to such Lender’s Commitment (whether used or unused) at such time or (ii) if such Lender’s Commitment shall have terminated, the sum of the aggregate outstanding principal amount of its Loans at such time.

“**Agreement**” means this Credit Agreement as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“**Anti-Corruption Laws**” means the United States Foreign Corrupt Practices Act of 1977 and all other laws, rules, and regulations of any jurisdiction concerning or relating to bribery, corruption or money laundering.

“Applicable Lending Office” means, with respect to any Lender, (i) in the case of its Base Rate Loans, its Domestic Lending Office and (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office.

“Applicable Margin” means, with respect to Euro-Dollar Loans or Base Rate Loans to the Borrower, the applicable rate per annum for the Borrower determined in accordance with the Pricing Schedule.

“Approved Fund” means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“Approved Officer” means the president, the chief financial officer, a vice president, the treasurer, an assistant treasurer or the controller of the Borrower or such other representative of the Borrower as may be designated by any one of the foregoing with the consent of the Administrative Agent.

“Assignee” has the meaning set forth in Section 9.06(c).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding (or any similar proceeding), or generally fails to pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business or assets appointed for it, or, in the good faith determination of the Administrative Agent (or, if the Administrative Agent is the subject of the Bankruptcy Event, the Required Lenders), has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that (except with respect to a Lender that is subject to a Bail-In Action) a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Base Rate" means, for any day for which the same is to be calculated, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 1/2 of 1% and (c) the LIBOR Market Index Rate plus 1%; *provided*, that, if the Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Each change in the Base Rate shall take effect simultaneously with the corresponding change in the rates described in clauses (a), (b) or (c) above, as the case may be.

"Base Rate Loan" means (i) a Loan which bears interest at the Base Rate pursuant to the applicable Notice of Borrowing or Notice of Interest Rate Election or the provisions of Article 8 or (ii) an overdue amount which was a Base Rate Loan immediately before it became overdue.

"Borrower" means Duke Energy Corporation, a Delaware corporation.

"Borrowing" has the meaning set forth in Section 1.03.

"Change" has the meaning set forth in Section 9.05(b).

"Change in Law" means the occurrence of any of the following after the date of this Agreement: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; *provided however*, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" after the date hereof regardless of the date enacted, adopted, issued or implemented.

"Co-Documentation Agents" means each of Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, in its capacity as documentation agent in respect of this Agreement.

"Commitment" means (i) with respect to any Lender listed on the signature pages hereof, the amount set forth opposite its name on the Commitment Schedule, and (ii) with respect to each Assignee which becomes a Lender pursuant to Sections 8.06 and 9.06(c), the amount of the Commitment thereby assumed by it, in each case as such amount may from time to time be reduced pursuant to Sections 2.10, 8.06 or 9.06(c) or increased pursuant to Sections 8.06 or 9.06(c).

"Commitment Schedule" means the Commitment Schedule attached hereto.

"Commitment Termination Date" means, for each Lender, June 14, 2020, or, if such day is not a Euro-Dollar Business Day, the next preceding Euro-Dollar Business Day.

“Connection Income Taxes” means, with respect to any Lender or Agent, taxes that are imposed on or measured by net income (however denominated), franchise taxes or branch profits taxes, in each case, imposed as a result of a connection (including any former connection) between such Lender or Agent and the jurisdiction imposing such tax (other than connections arising from such Lender or Agent having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any Note, or sold or assigned an interest in any Loan, this Agreement or any Note).

“Consolidated Capitalization” means, with respect to the Borrower, the sum, without duplication, of (i) Consolidated Indebtedness of the Borrower, (ii) consolidated common equityholders’ equity as would appear on a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries prepared in accordance with generally accepted accounting principles, (iii) the aggregate liquidation preference of preferred or priority equity interests (other than preferred or priority equity interests subject to mandatory redemption or repurchase) of the Borrower and its Consolidated Subsidiaries upon involuntary liquidation, (iv) the aggregate outstanding amount of all Equity Preferred Securities of the Borrower and (v) minority interests as would appear on a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries prepared in accordance with generally accepted accounting principles.

“Consolidated Indebtedness” means, at any date, with respect to the Borrower, all Indebtedness of the Borrower and its Consolidated Subsidiaries determined on a consolidated basis in accordance with generally accepted accounting principles; *provided* that Consolidated Indebtedness shall exclude, to the extent otherwise reflected therein, Equity Preferred Securities of the Borrower and its Consolidated Subsidiaries up to a maximum excluded amount equal to 15% of Consolidated Capitalization of the Borrower.

“Consolidated Net Assets” means, at any date with respect to the Borrower, (a) total assets of the Borrower and its Subsidiaries (minus applicable reserves) determined on a consolidated basis in accordance with GAAP minus (b) total liabilities of the Borrower and its Subsidiaries, in each case determined on a consolidated basis in accordance with GAAP, all as reflected in the consolidated financial statements of the Borrower most recently delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or 5.01(b).

“Consolidated Subsidiary” means, for any Person, at any date any Subsidiary or other entity the accounts of which would be consolidated with those of such Person in its consolidated financial statements if such statements were prepared as of such date.

“Co-Syndication Agents” means each of PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., each in its capacity as syndication agent in respect of this Agreement.

“Default” means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed to (i) fund any portion of its Loans within two Domestic Business Days of the date required to be funded, (ii) pay over to any Lender Party any other amount required to be paid by it hereunder within two Domestic Business Days of the date required to be paid, unless, in the case of clause (i) or (ii) above, such Lender notifies the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Domestic Business Days after written request by the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) or the Borrower, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans under this Agreement unless such Lender notifies the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt by the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) and the Borrower of such certification in form and substance satisfactory to the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) and the Borrower, or (d) has become (or has a direct or indirect Parent that has become) the subject of a Bankruptcy Event or a Bail-In Action. Any determination by the Administrative Agent (or, if the Administrative Agent is the Defaulting Lender, the Required Lenders) that a Lender is a Defaulting Lender shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to the Borrower and each Lender.

“Domestic Business Day” means any day except a Saturday, Sunday or other day on which commercial banks in New York City or in the State of North Carolina are authorized by law to close.

“Domestic Lending Office” means, as to each Lender, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Lender may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Administrative Agent.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which this Agreement becomes effective pursuant to Section 3.01.

“Endowment” means the Duke Endowment, a charitable common law trust established by James B. Duke by Indenture dated December 11, 1924.

“Environmental Laws” means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges, releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

“Equity Preferred Securities” means, with respect to the Borrower, any trust preferred securities or deferrable interest subordinated debt securities issued by the Borrower or any Subsidiary or other financing vehicle of the Borrower that (i) have an original maturity of at least twenty years and (ii) require no repayments or prepayments and no mandatory redemptions or repurchases, in each case, prior to the first anniversary of the Commitment Termination Date.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Group” means, with respect to the Borrower, the Borrower and all other members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414 of the Internal Revenue Code.

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“**Euro-Dollar Business Day**” means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

“**Euro-Dollar Lending Office**” means, as to each Lender, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Lender as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Administrative Agent.

“**Euro-Dollar Loan**” means (i) a Loan which bears interest at a Euro-Dollar Rate pursuant to the applicable Notice of Borrowing or Notice of Interest Rate Election or (ii) an overdue amount which was a Euro-Dollar Loan immediately before it became overdue.

“**Euro-Dollar Rate**” means a rate of interest determined pursuant to Section 2.06(b) on the basis of a London Interbank Offered Rate.

“**Euro-Dollar Reserve Percentage**” has the meaning set forth in Section 2.16.

“**Event of Default**” has the meaning set forth in Section 6.01.

“**Facility Fee Rate**” means, with respect to the Borrower, the applicable rate per annum for the Borrower determined in accordance with the Pricing Schedule.

“**FATCA**” has the meaning set forth in Section 8.04(a).

“**Federal Funds Rate**” means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day; *provided* that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Scotiabank on such day on such transactions as determined by the Administrative Agent; *provided further*, that, if the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“Governmental Authority” means any international, foreign, federal, state, regional, county, local or other governmental or quasi-governmental authority.

“Group of Loans” means at any time a group of Loans consisting of (i) all Loans to the Borrower which are Base Rate Loans at such time or (ii) all Euro-Dollar Loans to the Borrower having the same Interest Period at such time; *provided* that, if a Loan of any particular Lender is converted to or made as a Base Rate Loan pursuant to Article 8, such Loan shall be included in the same Group or Groups of Loans from time to time as it would have been if it had not been so converted or made.

“Hedging Agreement” means for any Person, any and all agreements, devices or arrangements designed to protect such Person or any of its Subsidiaries from the fluctuations of interest rates, exchange rates applicable to such party’s assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, commodity swap agreements, forward rate currency or interest rate options, puts and warrants. Notwithstanding anything herein to the contrary, “Hedging Agreements” shall also include fixed-for-floating interest rate swap agreements and similar instruments.

“Indebtedness” of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all indebtedness of such Person for the deferred purchase price of property or services purchased (excluding current accounts payable incurred in the ordinary course of business), (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired, (iv) all indebtedness under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases in respect of which such Person is liable as lessee, (v) the face amount of all outstanding letters of credit issued for the account of such Person (other than letters of credit relating to indebtedness included in Indebtedness of such Person pursuant to another clause of this definition) and, without duplication, the unreimbursed amount of all drafts drawn thereunder, (vi) indebtedness secured by any Lien on property or assets of such Person, whether or not assumed (but in any event not exceeding the fair market value of the property or asset), (vii) all direct guarantees of Indebtedness referred to above of another Person, (viii) all amounts payable in connection with mandatory redemptions or repurchases of preferred stock or member interests or other preferred or priority equity interests and (ix) any obligations of such Person (in the nature of principal or interest) in respect of acceptances or similar obligations issued or created for the account of such Person.

“Indemnitee” has the meaning set forth in Section 9.03.

“Interest Period” means, with respect to each Euro-Dollar Loan, the period commencing on the date of borrowing specified in the applicable Notice of Borrowing or on the date specified in an applicable Notice of Interest Rate Election and ending one, two, three or six, or, if deposits of a corresponding maturity are generally available in the London interbank market, twelve, months thereafter, as the Borrower may elect in such notice; *provided* that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day; and

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Euro-Dollar Business Day of a calendar month;

provided further that no Interest Period applicable to any Loan of any Lender may end after the Commitment Termination Date.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, or any successor statute.

“Investment Grade Status” exists as to any Person at any date if all senior long-term unsecured debt securities of such Person outstanding at such date which had been rated by S&P or Moody’s are rated BBB- or higher by S&P or Baa3 or higher by Moody’s, as the case may be, or if such Person does not have a rating of its long-term unsecured debt securities, then if the corporate credit rating of such Person, if any exists, from S&P is BBB- or higher or the issuer rating of such Person, if any exists, from Moody’s is Baa3 or higher.

“Lender” means each bank or other financial institution listed on the signature pages hereof, each Assignee which becomes a Lender pursuant to Section 9.06(c), and their respective successors.

“Lender Party” means any of the Lenders and the Agents.

“LIBOR Market Index Rate” means, for any day, the rate for one month U.S. dollar deposits as appears on the display designated as Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service or any successor to or, if such service is not available, substitute for such service providing rate quotations comparable to those currently provided on such page of such service, as reasonably determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to U.S. dollar deposits are offered to leading banks in the London interbank deposit market), approximately 11:00 a.m. London time, for such day; or if such day is not a Euro-Dollar Business Day, for the immediately preceding Euro-Dollar Business Day (or if not so reported, then as determined by the Administrative Agent from another recognized source or interbank quotation); *provided*, that, if the LIBOR Market Index Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Borrower or any of its Subsidiaries shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Loan” means a loan made or to be made by a Lender pursuant to Section 2.01; *provided that*, if any such loan or loans (or portions thereof) are combined or subdivided pursuant to a Notice of Interest Rate Election, the term “Loan” shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

“London Interbank Offered Rate” has the meaning set forth in Section 2.06(b).

“Master Credit Facility” means the Credit Agreement dated as of November 18, 2011, as amended by Amendment No. 1 and Consent dated as of December 18, 2013, Amendment No. 2 and Consent, dated as of January 30, 2015 and Amendment No. 3 and Consent dated as of March 16, 2017, among the Borrower, the other borrowers thereto, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, and the other agents party thereto, as the same may be amended, amended and restated, modified, supplemented, refinanced or replaced from time to time after the date hereof.

“Material Debt” means, with respect to the Borrower, Indebtedness of the Borrower or any of its Material Subsidiaries (other than any Non-Recourse Indebtedness) in an aggregate principal amount exceeding \$150,000,000.

“Material Plan” has the meaning set forth in Section 6.01(i).

“Material Subsidiary” means at any time, with respect to the Borrower, any Subsidiary of the Borrower whose total assets exceeds 15% of the total assets (after intercompany eliminations) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, all as reflected in the consolidated financial statements of the Borrower most recently delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or 5.01(b).

“Moody’s” means Moody’s Investors Service, Inc. (or any successor thereto).

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all affected Lenders in accordance with the terms of Section 9.05(a) and (ii) has been approved by the Required Lenders.

“Non-Recourse Indebtedness” means any Indebtedness incurred by a Subsidiary of the Borrower to develop, construct, own, improve or operate a defined facility or project (a) as to which no Borrower (i) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness but excluding tax sharing arrangements and similar arrangements to make contributions to such Subsidiary to account for tax benefits generated by such Subsidiary), (ii) is directly or indirectly liable as a guarantor or otherwise, or (iii) constitutes the lender; (b) no default with respect to which would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Loans or the Notes) of the Borrower to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (c) as to which the lenders will not have any recourse to the stock or assets of the Borrower or other Subsidiary (other than the stock of or intercompany loans to such Subsidiary); provided that in each case in clauses (a) and (c) above, the Borrower or other Subsidiary may provide credit support and recourse in an amount not exceeding 15% in the aggregate of any such Indebtedness and such Indebtedness shall still be deemed to be Non-Recourse Indebtedness.

“Notes” means promissory notes of the Borrower, in the form required by Section 2.04, evidencing the obligation of the Borrower to repay the Loans made to it, and **“Note”** means any one of such promissory notes issued hereunder.

“Notice of Borrowing” has the meaning set forth in Section 2.02.

“Notice of Interest Rate Election” has the meaning set forth in Section 2.09(a).

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Other Taxes” has the meaning set forth in Section 8.04(a).

“Parent” means, with respect to any Lender, any Person controlling such Lender.

“Participant” has the meaning set forth in Section 9.06(b).

“Participant Register” has the meaning set forth in Section 9.06(b).

“PBGC” means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Percentage” means, with respect to any Lender at any time, the percentage which the amount of its Commitment at such time represents of the aggregate amount of all the Commitments at such time; *provided* that in the case of Section 2.19 when a Defaulting Lender shall exist, “Percentage” shall mean the percentage of the total Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment.

“Person” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Plan” means at any time an employee pension benefit plan which is covered by Title IV of ERISA or Sections 412 or 430 of the Internal Revenue Code or Sections 302 and 303 of ERISA and is either (i) maintained by a member of the ERISA Group for employees of a member of the ERISA Group or (ii) maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“Pricing Schedule” means the Pricing Schedule attached hereto.

“Prime Rate” means the per annum rate of interest established from time to time by the Administrative Agent at its principal office in New York, New York as its Prime Rate. Any change in the interest rate resulting from a change in the Prime Rate shall become effective as of 12:01 a.m. of the Domestic Business Day on which each change in the Prime Rate is announced by the Administrative Agent. The Prime Rate is a reference rate used by the Administrative Agent in determining interest rates on certain loans and is not intended to be the lowest rate of interest charged on any extension of credit to any debtor.

“Quarterly Payment Date” means the first Domestic Business Day of each January, April, July and October.

“Regulation U” means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Related Parties” means, with respect to any Person, such Person’s Subsidiaries and Affiliates and the partners, directors, officers, employees, agents, trustees, advisors, administrators and managers of such Person and of such Person’s Subsidiaries and Affiliates.

“Required Lenders” means, at any time, Lenders having at least 51% in aggregate amount of the Aggregate Exposures at such time (exclusive in each case of the Aggregate Exposure(s) of any Defaulting Lender(s)).

“Revolving Credit Period” means, with respect to any Lender, the period from and including the Effective Date to but not including the Commitment Termination Date.

“Sanctioned Person” means, at any time (a) any Person listed in any Sanctions-related list of specially designated Persons maintained by OFAC, the U.S. Department of State, United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom, (b) any Person that has a place of business, or is organized or resident, in a jurisdiction that is the subject of any comprehensive territorial Sanctions or (c) any Person owned or controlled by any such Person.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Scotiabank” means The Bank of Nova Scotia.

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc. (or any successor thereto).

“Subsidiary” means, as to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person; unless otherwise specified, “Subsidiary” means a Subsidiary of the Borrower.

“Substantial Assets” means, with respect to the Borrower, assets sold or otherwise disposed of in a single transaction or a series of related transactions representing 25% or more of the consolidated assets of the Borrower and its Consolidated Subsidiaries, taken as a whole.

“Taxes” has the meaning set forth in Section 8.04(a).

“Trust” means The Doris Duke Trust, a trust established by James B. Duke by Indenture dated December 11, 1924 for the benefit of certain relatives.

“Unfunded Vested Liabilities” means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefits under such Plan, determined on a plan termination basis using the assumptions under 4001(a)(18) of ERISA, exceeds (ii) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or the Plan under Title IV of ERISA.

“United States” means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

“U.S. Tax Compliance Certificate” has the meaning set forth in Section 8.04(a).

“U.S. Tax Law Change” has the meaning set forth in Section 8.04(a).

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.02. *Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Lenders; provided, that if the Borrower notifies the Administrative Agent that it wishes to amend the financial covenant in Section 5.10 to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Section 5.10 for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of generally accepted accounting principles as in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders.

Section 1.03. *Types of Borrowings.* The term "**Borrowing**" denotes the aggregation of Loans of one or more Lenders to be made to the Borrower pursuant to Article 2 on a single date and for a single Interest Period. Borrowings are classified for purposes of this Agreement by reference to the pricing of Loans comprising such Borrowing (e.g., a "**Euro-Dollar Borrowing**" is a Borrowing comprised of Euro Dollar Loans).

ARTICLE 2 THE CREDITS

Section 2.01. *Commitments to Lend.* During the Revolving Credit Period, each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this subsection from time to time in an aggregate amount not to exceed such Lender's Commitment. Each Borrowing under this subsection shall be in an aggregate principal amount of \$10,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the aggregate amount available in accordance with Section 3.03(b)) and shall be made from the several Lenders ratably in proportion to their respective Commitments in effect on the date of Borrowing. Within the foregoing limits, the Borrower may borrow under this Section 2.01, or to the extent permitted by Section 2.11, prepay Loans and reborrow at any time during the Revolving Credit Period under this Section 2.01.

Section 2.02. *Notice of Borrowings.* The Borrower shall give the Administrative Agent notice (a "**Notice of Borrowing**") not later than 11:00 A.M. (Eastern time) on (x) the date of each Base Rate Borrowing and (y) the third Euro-Dollar Business Day before each Euro-Dollar Borrowing, specifying:

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- (a) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Base Rate Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing;
 - (b) the aggregate amount of such Borrowing;
 - (c) whether the Loans comprising such Borrowing are to bear interest initially at the Base Rate or a Euro-Dollar Rate; and
 - (d) in the case of a Euro-Dollar Borrowing, the duration of the initial Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

Section 2.03. *Notice to Lenders; Funding of Loans.* (a) Upon receipt (or deemed receipt) of a Notice of Borrowing, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's share (if any) of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 1:00 P.M. (Eastern time) on the date of each Borrowing, each Lender participating therein shall (except as provided in subsection (c) of this Section) make available its share of such Borrowing, in Federal or other immediately available funds, to the Administrative Agent at its address specified in or pursuant to Section 9.01. Unless the Administrative Agent determines that any applicable condition specified in Article 3 has not been satisfied, the Administrative Agent will disburse the funds so received from the Lenders to an account designated by an Approved Officer of the Borrower.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to 1:00 P.M. (Eastern time) on the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available to the Administrative Agent on the date of such Borrowing in accordance with subsection (b) of this Section 2.03 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such share available to the Administrative Agent, such Lender and, if such Lender shall not have made such payment within two Domestic Business Days of demand therefor, the Borrower agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.06 and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Loan included in such Borrowing for purposes of this Agreement.

(d) The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make a Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make a Loan to be made by such other Lender.

Section 2.04. *Registry; Notes.* (a) The Administrative Agent shall maintain a register (the “**Register**”) on which it will record the Commitment of each Lender, each Loan made by such Lender and each repayment of any Loan made by such Lender. Any such recordation by the Administrative Agent on the Register shall be conclusive, absent manifest error. Failure to make any such recordation, or any error in such recordation, shall not affect the Borrower’ obligations hereunder.

(b) The Borrower hereby agrees that, promptly upon the request of any Lender at any time, the Borrower shall deliver to such Lender a duly executed Note, in substantially the form of Exhibit A hereto, payable to such Lender or its registered assigns as permitted pursuant to Section 9.06 and representing the obligation of the Borrower to pay the unpaid principal amount of the Loans made to the Borrower by such Lender, with interest as provided herein on the unpaid principal amount from time to time outstanding.

(c) Each Lender shall record the date, amount and maturity of each Loan made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and each Lender receiving a Note pursuant to this Section, if such Lender so elects in connection with any transfer or enforcement of its Note, may endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; *provided* that the failure of such Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Notes. Such Lender is hereby irrevocably authorized by the Borrower so to endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

Section 2.05. *Maturity of Loans.* Each Loan made by any Lender shall mature, and the principal amount thereof shall be due and payable together with accrued interest thereon, on the Commitment Termination Date.

Section 2.06. *Interest Rates.* (a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the sum of the Applicable Margin for such day plus the Base Rate for such day. Such interest shall be payable quarterly in arrears on each Quarterly Payment Date, at maturity and on the date of termination of the Commitments in their entirety. Any overdue principal of or overdue interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the Applicable Margin for such day plus the Base Rate for such day.

(b) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for each day during each Interest Period applicable thereto, at a rate per annum equal to the sum of the Applicable Margin for such day plus the London Interbank Offered Rate applicable to such Interest Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof.

The “**London Interbank Offered Rate**” applicable to any Interest Period means the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or, if such service is not available, substitute for such service providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to U.S. dollar deposits that are offered to leading banks in the London interbank deposit market) at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days prior to the commencement of such Interest Period, as the rate for U.S. dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not so available at such time for any reason, then the “**London Interbank Offered Rate**” for such Interest Period shall be the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective rates per annum at which deposits in U.S. dollars are offered to leading banks in the London interbank market at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days before the first day of such Interest Period in an amount approximately equal to the principal amount of the Loan of such leading banks to which such Interest Period is to apply and for a period of time comparable to such Interest Period. If the London-Interbank Offered Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

(c) Any overdue principal of or overdue interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 1% plus the higher of (i) the sum of the Applicable Margin for such day plus the London Interbank Offered Rate applicable to such Loan at the date such payment was due and (ii) the rate applicable to Base Rate Loans for such day.

(d) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder. The Administrative Agent shall give prompt notice to the Borrower and the participating Lenders by facsimile of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error unless the Borrower raises an objection thereto within five Domestic Business Days after receipt of such notice.

Section 2.07. *Fees.* (a) *Facility Fees.* The Borrower shall pay to the Administrative Agent, for the account of the Lenders ratably in proportion to their Aggregate Exposures, a facility fee calculated for each day at the Facility Fee Rate for such day (determined in accordance with the Pricing Schedule) on the aggregate amount of the Aggregate Exposure on such day. Such facility fee shall accrue for each day from and including the Effective Date but excluding the day on which the Aggregate Exposure is reduced to zero.

(b) *Payments.* Accrued fees under this Section for the account of any Lender shall be payable quarterly in arrears on each Quarterly Payment Date and upon the Commitment Termination Date (and, if earlier, the date the Aggregate Exposure is reduced to zero).

Section 2.08. *Optional Termination of Commitments.* The Borrower may, upon not less than three Domestic Business Days' notice to the Administrative Agent, reduce the Commitments (i) to zero, if no Loans are outstanding or (ii) by an amount of \$10,000,000 or any larger multiple of \$5,000,000 so long as, after giving effect to such reduction, the aggregate Commitments are not less than the sum of the aggregate principal amount of Loans outstanding.

Section 2.09. *Method of Electing Interest Rates.* (a) The Loans included in each Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject in each case to the provisions of Article 8 and the last sentence of this subsection (a)), as follows:

(i) if such Loans are Base Rate Loans, the Borrower may elect to convert such Loans to Euro-Dollar Loans as of any Euro-Dollar Business Day; and

(ii) if such Loans are Euro-Dollar Loans, the Borrower may elect to convert such Loans to Base Rate Loans or elect to continue such Loans as Euro-Dollar Loans for an additional Interest Period, subject to Section 2.13 in the case of any such conversion or continuation effective on any day other than the last day of the then current Interest Period applicable to such Loans.

Each such election shall be made by delivering a notice (a "Notice of Interest Rate Election") to the Administrative Agent not later than 11:00 A.M. (Eastern time) on the third Euro-Dollar Business Day before the conversion or continuation selected in such notice is to be effective. A Notice of Interest Rate Election may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Group of Loans; *provided* that (i) such portion is allocated ratably among the Loans comprising such Group and (ii) the portion to which such notice applies, and the remaining portion to which it does not apply, are each \$10,000,000 or any larger multiple of \$1,000,000.

(b) Each Notice of Interest Rate Election shall specify:

(i) the Group of Loans (or portion thereof) to which such notice applies;

(ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of subsection 2.09(a) above;

(iii) if the Loans comprising such Group are to be converted, the new type of Loans and, if the Loans being converted are to be Euro-Dollar Loans, the duration of the next succeeding Interest Period applicable thereto; and

(iv) if such Loans are to be continued as Euro-Dollar Loans for an additional Interest Period, the duration of such additional Interest Period.

Each Interest Period specified in a Notice of Interest Rate Election shall comply with the provisions of the definition of the term "Interest Period".

(c) Promptly after receiving a Notice of Interest Rate Election from the Borrower pursuant to subsection 2.09(a) above, the Administrative Agent shall notify each Lender of the contents thereof and such notice shall not thereafter be revocable by the Borrower. If no Notice of Interest Rate Election is timely received prior to the end of an Interest Period for any Group of Loans, the Borrower shall be deemed to have elected that such Group of Loans be converted to Base Rate Loans as of the last day of such Interest Period.

(d) An election by the Borrower to change or continue the rate of interest applicable to any Group of Loans pursuant to this Section shall not constitute a "Borrowing" subject to the provisions of Section 3.03.

Section 2.10. *Mandatory Termination of Commitments.* The Commitment of each Lender shall terminate on the Commitment Termination Date.

Section 2.11. *Optional Prepayments.* (a) The Borrower may (i) upon notice to the Administrative Agent not later than 11:00 A.M. (Eastern time) on any Domestic Business Day prepay on such Domestic Business Day any Group of Base Rate Loans and (ii) upon at least three Euro-Dollar Business Days' notice to the Administrative Agent not later than 11:00 A.M. (Eastern time) prepay any Group of Euro-Dollar Loans, in each case in whole at any time, or from time to time in part in amounts aggregating \$5,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment and together with any additional amounts payable pursuant to Section 2.13. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Lenders included in such Group or Borrowing.

(b) Upon receipt of a notice of prepayment pursuant to this Section, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's share (if any) of such prepayment and such notice shall not thereafter be revocable by the Borrower.

Section 2.12. *General Provisions as to Payments.* (a) The Borrower shall make each payment of principal of, and interest on, the Loans and of fees hereunder, not later than 1:00 P.M. (Eastern time) on the date when due, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address referred to in Section 9.01 and without reduction by reason of any set-off, counterclaim or deduction of any kind. The Administrative Agent will promptly distribute to each Lender in like funds its ratable share of each such payment received by the Administrative Agent for the account of the Lenders. Whenever any payment of principal of, or interest on, the Base Rate Loans or of fees shall be due on a day which is

not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

Section 2.13. *Funding Losses.* If the Borrower makes any payment of principal with respect to any Euro-Dollar Loan (other than payments made by an Assignee pursuant to Section 8.06(a) or by the Borrower pursuant to Section 8.06(b) in respect of a Defaulting Lender's Euro-Dollar Loans) or any Euro-Dollar Loan is converted to a Base Rate Loan or continued as a Euro-Dollar Loan for a new Interest Period (pursuant to Article 2, 6 or 8 or otherwise) on any day other than the last day of an Interest Period applicable thereto, or if the Borrower fails to borrow, prepay, convert or continue any Euro-Dollar Loans after notice has been given to any Lender in accordance with Section 2.03(a), 2.09(c) or 2.11(b), the Borrower shall reimburse each Lender within 15 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or conversion or failure to borrow, prepay, convert or continue; *provided* that such Lender shall have delivered to the Borrower a certificate setting forth in reasonable detail the calculation of the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

Section 2.14. *Computation of Interest and Fees.* Interest based on clause (a) of the definition of Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and all fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.15. *[Reserved]*.

Section 2.16. *Regulation D Compensation.* In the event that a Lender is required to maintain reserves of the type contemplated by the definition of “Euro-Dollar Reserve Percentage”, such Lender may require the Borrower to pay, contemporaneously with each payment of interest on the Euro-Dollar Loans, additional interest on the related Euro-Dollar Loan of such Lender at a rate per annum determined by such Lender up to but not exceeding the excess of (i) (A) the applicable London Interbank Offered Rate divided by (B) one *minus* the Euro-Dollar Reserve Percentage over (ii) the applicable London Interbank Offered Rate. Any Lender wishing to require payment of such additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Euro-Dollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Euro-Dollar Business Days after the giving of such notice and (y) shall notify the Borrower at least three Euro-Dollar Business Days prior to each date on which interest is payable on the Euro-Dollar Loans of the amount then due it under this Section. Each such notification shall be accompanied by such information as the Borrower may reasonably request.

“Euro-Dollar Reserve Percentage” means for any day, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of “Eurocurrency liabilities” (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents).

Section 2.17. *[Reserved.]*

Section 2.18. *[Reserved].*

Section 2.19. *Defaulting Lenders.* If any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender, to the extent permitted by applicable law:

(a) facility fees shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender pursuant to Section 2.07(a) and the Aggregate Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder;

(b) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of a Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 6 or otherwise) shall be applied at such time or times as may be determined by the Administrative Agent as follows:

(i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder;

(ii) second, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent;

(iii) third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement;

(iv) fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement;

(v) fifth, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and

(vi) sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 3.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments.

Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.19(a) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto; and

(c) in the event that the Administrative Agent and the Borrower agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Percentage; *provided*, that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE 3
CONDITIONS

Section 3.01. *Effective Date.* This Agreement shall become effective on the date that each of the following conditions shall have been satisfied (or waived in accordance with Section 9.05(a)):

(a) receipt by the Administrative Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it of facsimile or other written confirmation from such party of execution of a counterpart hereof by such party);

(b) receipt by the Administrative Agent of (i) an opinion of internal counsel of the Borrower and (ii) an opinion of Moore & Van Allen PLLC, special counsel for the Borrower, in each case in form and substance reasonably satisfactory to the Required Lenders;

(c) receipt by the Administrative Agent of a certificate signed by a Vice President, the Treasurer, an Assistant Treasurer or the Controller of the Borrower, dated the Effective Date, to the effect set forth in clauses (c) and (d) of Section 3.03 (without giving effect to the parenthetical in such clause (d));

(d) receipt by the Administrative Agent of all documents it may have reasonably requested prior to the date hereof relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent;

(e) receipt by the Administrative Agent of evidence satisfactory to it that the upfront fees, arrangement fees, administrative agency fees and expenses payable by the Borrower on the Effective Date have been paid; and

(f) receipt by the Administrative Agent, at least three Domestic Business Days prior to the Effective Date, all documentation and other information about the Borrower that shall have been reasonably requested by the Administrative Agent in writing at least 10 Domestic Business Days prior to the Effective Date and that the Administrative Agent reasonably determines is required by United States regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act.

provided that the Commitments shall not become effective unless all of the foregoing conditions are satisfied not later than June 30, 2017. The Administrative Agent shall promptly notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding on all parties hereto.

Section 3.02. *[Reserved]*.

Section 3.03. *Borrowings*. The obligation of any Lender to make a Loan on the occasion of any Borrowing at the request of the Borrower is subject to the satisfaction of the following conditions:

- (a) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.02;
- (b) the fact that, immediately after such Borrowing, the outstanding Loans of each Lender do not exceed such Lender's Aggregate Exposure;
- (c) the fact that, immediately after such Borrowing, no Default with respect to the Borrower shall have occurred and be continuing; and
- (d) the fact that the representations and warranties of the Borrower contained in this Agreement (except the representations and warranties set forth in Sections 4.04(c) and 4.06) shall be true on and as of the date of such Borrowing.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing or issuance as to the facts specified in clauses (b), (c) and (d) of this Section.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

Section 4.01. *Organization and Power*. The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and is duly qualified to do business in each jurisdiction where such qualification is required, except where the failure so to qualify would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole.

Section 4.02. *Corporate and Governmental Authorization; No Contravention*. The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the Borrower's powers, have been duly authorized by all necessary company action, require no action by or in respect of, or filing with, any Governmental Authority (except for consents, authorizations or filings which have been obtained or made, as the case may be, and are in full force and effect) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the articles of incorporation, by-laws, certificate of formation or the limited liability company agreement of the Borrower or of any material agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Material Subsidiaries.

Section 4.03. *Binding Effect.* This Agreement constitutes a valid and binding agreement of the Borrower and each Note, if and when executed and delivered by it in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

Section 4.04. *Financial Information.* (a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of December 31, 2016 and the related consolidated statements of income, cash flows, capitalization and retained earnings for the fiscal year then ended, reported on by Deloitte & Touche, copies of which have been delivered to each of the Lenders by using the Borrower's Syndtrak site or otherwise made available, fairly present in all material respects, in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

(b) The unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of March 31, 2017 and the related unaudited consolidated statements of income and cash flows for the three months then ended, copies of which have been delivered to each of the Lenders by using the Borrower's Syndtrak site or otherwise made available, fairly present in all material respects, in conformity with generally accepted accounting principles applied on a basis consistent with the financial statements referred to in subsection (a) of this Section, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such three-month period (subject to normal year-end adjustments and the absence of footnotes).

(c) Since December 31, 2016, there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, except as publicly disclosed prior to the Effective Date.

Section 4.05. *Regulation U.* The Borrower and its Material Subsidiaries are not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System) and no proceeds of any Borrowing by the Borrower will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. Not more than 25% of the value of the assets of the Borrower and its Material Subsidiaries is represented by margin stock.

Section 4.06. *Litigation.* Except as publicly disclosed prior to the Effective Date, there is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any Governmental Authority which would be likely to be decided adversely to the Borrower or such Subsidiary and, as a result, have a material adverse effect upon the business, consolidated financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or which in any manner draws into question the validity of this Agreement or any Note.

Section 4.07. *Compliance with Laws.* The Borrower and each of its Material Subsidiaries is in compliance in all material respects with all applicable laws, ordinances, rules, regulations and requirements of Governmental Authorities (including, without limitation, ERISA and Environmental Laws) except where (i) non-compliance would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) the necessity of compliance therewith is contested in good faith by appropriate proceedings.

Section 4.08. *Taxes.* The Borrower and its Material Subsidiaries have filed all United States federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any such Material Subsidiary except (i) where nonpayment would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) where the same are contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower and its Material Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

Section 4.09. *Anti-corruption Law and Sanctions.* The Borrower and its Material Subsidiaries have implemented and maintain in effect policies and procedures designed to prevent violations by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents (acting in their capacity as such) of the applicable Anti-Corruption Laws and Sanctions, and the Borrower and its Material Subsidiaries are in compliance in all material respects with all applicable Anti-Corruption Laws and Sanctions, except where (i) noncompliance would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) the necessity of compliance therewith is contested in good faith by appropriate proceedings. None of (i) the Borrower or any Material Subsidiary or, (ii) to the knowledge of the Borrower, any director, officer or employee of the Borrower or any Material Subsidiary or (iii) to the knowledge of the Borrower, any agent of the Borrower or any Material Subsidiary acting in any capacity in connection with or benefitting from the credit facility established hereby, is a Sanctioned Person.

ARTICLE 5
COVENANTS

The Borrower agrees that, so long as any Lender has any Commitment hereunder or any amount payable hereunder remains unpaid by the Borrower:

Section 5.01. *Information.* The Borrower will deliver to each of the Lenders:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, cash flows, capitalization and retained earnings for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on in a manner consistent with past practice and with applicable requirements of the Securities and Exchange Commission by Deloitte & Touche or other independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter and the related consolidated statements of income and cash flows for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation in all material respects, generally accepted accounting principles and consistency (except as provided by Section 1.02) by an Approved Officer of the Borrower;

(c) within the maximum time period specified for the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of an Approved Officer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Section 5.10 on the date of such financial statements and (ii) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) within five days after any officer of the Borrower with responsibility relating thereto obtains knowledge of any Default, if such Default is then continuing, a certificate of an Approved Officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(f) if and when any member of the Borrower's ERISA Group (i) gives or is reasonably expected to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Material Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Material Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Material Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under

Title IV of ERISA of an intent to terminate, impose material liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Material Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Material Plan pursuant to Section 4063 of ERISA, a copy of such notice; (vii) receives notice of the cessation of operations at a facility of any member of the ERISA Group in the circumstances described in Section 4062(e) of ERISA; or (viii) fails to make any payment or contribution to any Material Plan or makes any amendment to any Material Plan which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer or the chief accounting officer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take;

(g) promptly, notice of any change in the ratings of the Borrower referred to in the Pricing Schedule; and

(h) from time to time such additional information regarding the financial position or business of the Borrower and its Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request.

Information required to be delivered pursuant to these Sections 5.01(a), 5.01(b) and 5.01(e) shall be deemed to have been delivered on the date on which such information has been posted on the Securities and Exchange Commission website on the Internet at sec.gov/edaux/searches.htm, on the Borrower's Syndtrak site or at another website identified in a notice from the Borrower to the Lenders and accessible by the Lenders without charge; *provided* that (i) a certificate delivered pursuant to Section 5.01(c) shall also be deemed to have been delivered upon being posted to the Borrower's Syndtrak site and (ii) the Borrower shall deliver paper copies of the information referred to in Sections 5.01(a), 5.01(b) and 5.01(e) to any Lender which requests such delivery.

Section 5.02. *Payment of Taxes.* The Borrower will pay and discharge, and will cause each of its Material Subsidiaries to pay and discharge, at or before maturity, all their tax liabilities, except where (i) nonpayment would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) the same may be contested in good faith by appropriate proceedings, and will maintain, and will cause each of its Material Subsidiaries to maintain, in accordance with generally accepted accounting principles, appropriate reserves for the accrual of any of the same.

Section 5.03. *Maintenance of Property; Insurance.* (a) The Borrower will keep, and will cause each of its Material Subsidiaries to keep, all property necessary in its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole.

(b) The Borrower will, and will cause each of its Material Subsidiaries to, maintain (either in the name of the Borrower or in such Subsidiary's own name) with financially sound and responsible insurance companies, insurance on all their respective properties in at least such amounts and against at least such risks (and with such risk retention) as are usually insured against by companies of established repute engaged in the same or a similar business; *provided* that self-insurance by the Borrower or any such Material Subsidiary, shall not be deemed a violation of this covenant to the extent that companies engaged in similar businesses and owning similar properties self-insure; and will furnish to the Lenders, upon request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried.

Section 5.04. *Maintenance of Existence.* The Borrower will preserve, renew and keep in full force and effect, and will cause each of its Material Subsidiaries to preserve, renew and keep in full force and effect their respective corporate or other legal existence and their respective rights, privileges and franchises material to the normal conduct of their respective businesses; *provided* that nothing in this Section 5.04 shall prohibit the termination of any right, privilege or franchise of the Borrower or any such Material Subsidiary or of the corporate or other legal existence of any such Material Subsidiary, or the change in form of organization of the Borrower or any such Material Subsidiary, if the Borrower in good faith determines that such termination or change is in the best interest of the Borrower, is not materially disadvantageous to the Lenders and, (i) in the case of a change in the form of organization of the Borrower, the Administrative Agent has consented thereto and (ii) in the case of a change in the jurisdiction of the Borrower to a jurisdiction outside of the United States, the Lenders have consented thereto.

Section 5.05. *Compliance with Laws.* The Borrower will comply, and cause each of its Material Subsidiaries to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of Governmental Authorities (including, without limitation, ERISA, applicable Sanctions and Anti-Corruption Laws and Environmental Laws) except where (i) noncompliance would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) the necessity of compliance therewith is contested in good faith by appropriate proceedings.

Section 5.06. *Books and Records.* The Borrower will keep, and will cause each of its Material Subsidiaries to keep, proper books of record and account in which full, true and correct entries shall be made of all financial transactions in relation to its business and activities in accordance with its customary practices; and will permit, and will cause each such Material Subsidiary to permit, representatives of any Lender at such Lender's expense (accompanied by a representative of the Borrower, if the Borrower so desires) to visit any of their respective properties, to examine any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants, all upon such reasonable notice, at such reasonable times and as often as may reasonably be desired.

Section 5.07. *Negative Pledge*. The Borrower will not create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(a) Liens granted by the Borrower existing as of the Effective Date, securing Indebtedness outstanding on the date of this Agreement in an aggregate principal amount not exceeding \$100,000,000;

(b) [reserved];

(c) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower and not created in contemplation of such event;

(d) any Lien existing on any asset prior to the acquisition thereof by the Borrower and not created in contemplation of such acquisition;

(e) any Lien on any asset securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset; *provided* that such Lien attaches to such asset concurrently with or within 180 days after the acquisition thereof;

(f) any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of the foregoing clauses of this Section; *provided* that such Indebtedness is not increased (except by accrued interest, prepayment premiums and fees and expenses incurred in connection with such refinancing, extension, renewal or refunding) and is not secured by any additional assets;

(g) Liens for taxes, assessments or other governmental charges or levies not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with generally accepted accounting principles;

(h) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by law, created in the ordinary course of business and for amounts not past due for more than 60 days or which are being contested in good faith by appropriate proceedings which are sufficient to prevent imminent foreclosure of such Liens, are promptly instituted and diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with generally accepted accounting principles;

(i) Liens incurred or deposits made in the ordinary course of business (including, without limitation, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations or arising as a result of progress payments under government contracts;

(j) easements (including, without limitation, reciprocal easement agreements and utility agreements), rights-of-way, covenants, consents, reservations, encroachments, variations and other restrictions, charges or encumbrances (whether or not recorded) affecting the use of real property;

(k) Liens with respect to judgments and attachments which do not result in an Event of Default;

(l) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases (permitted under the terms of this Agreement), public or statutory obligations, surety, stay, appeal, indemnity, performance or other obligations arising in the ordinary course of business;

(m) other Liens including Liens imposed by Environmental Laws arising in the ordinary course of its business which (i) do not secure Indebtedness, (ii) do not secure any obligation in an amount exceeding \$100,000,000 at any time at which Investment Grade Status does not exist as to the Borrower and (iii) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(n) Liens securing obligations under Hedging Agreements entered into to protect against fluctuations in interest rates or exchange rates or commodity prices and not for speculative purposes, provided that such Liens run in favor of a Lender hereunder or under the Master Credit Facility or a Person who was, at the time of issuance, a Lender;

(o) Liens not otherwise permitted by the foregoing clauses of this Section on assets of the Borrower securing obligations in an aggregate principal or face amount at any date not to exceed 15% of the Consolidated Net Assets of the Borrower;

(p) [reserved]; and

(q) Liens on regulatory assets up to the amount approved by state legislatures and/or regulatory orders.

Section 5.08. Consolidations, Mergers and Sales of Assets. The Borrower will not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer, directly or indirectly, Substantial Assets to any Person (other than a Subsidiary of the Borrower); *provided* that the Borrower may merge with another Person if the Borrower is the Person surviving such merger and, after giving effect thereto, no Default shall have occurred and be continuing.

Section 5.09. Use of Proceeds. The proceeds of the Loans made under this Agreement will be used by the Borrower for its general corporate purposes. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any "margin stock" within the meaning of Regulation U. None of such proceeds will be used (i) for the purpose of knowingly financing the activities of or any transactions with any Sanctioned Person or in any country, region or territory that is the subject of Sanctions applicable to the Borrower and

its Subsidiaries and where the financed activity would be prohibited by such applicable Sanctions, at the time of such financing or (ii) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws.

Section 5.10. *Indebtedness/Capitalization Ratio.* The ratio of Consolidated Indebtedness of the Borrower to Consolidated Capitalization of the Borrower as at the end of any fiscal quarter of the Borrower will not exceed 65%.

ARTICLE 6
DEFAULTS

Section 6.01. *Events of Default.* Subject to Section 9.05(b)(ii), if one or more of the following events (“**Events of Default**”) with respect to the Borrower shall have occurred and be continuing:

(a) the Borrower shall fail to pay when due any principal of any Loan owed by it or shall fail to pay, within five days of the due date thereof, any interest, fees or any other amount payable by it hereunder;

(b) the Borrower shall fail to observe or perform any covenant contained in Sections 5.01(d), 5.04, 5.07, 5.08, 5.10 or the second or third sentence of 5.09, inclusive;

(c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after notice thereof has been given to the Borrower by the Administrative Agent at the request of any Lender;

(d) any representation, warranty, certification or statement made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made (or deemed made);

(e) the Borrower or any of its Material Subsidiaries shall fail to make any payment in respect of Material Debt (other than Loans to the Borrower hereunder) when due or within any applicable grace period;

(f) any event or condition shall occur and shall continue beyond the applicable grace or cure period, if any, provided with respect thereto so as to result in the acceleration of the maturity of Material Debt;

(g) the Borrower or any of its Material Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an

involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or shall fail generally to, pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Borrower or any of its Material Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 90 days; or an order for relief shall be entered against the Borrower or any of its Material Subsidiaries under the federal bankruptcy laws as now or hereafter in effect;

(i) any member of the Borrower's ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of \$150,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans of such ERISA Group having aggregate Unfunded Vested Liabilities in excess of \$150,000,000 (collectively, a "Material Plan") shall be filed under Title IV of ERISA by any member of such ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Material Plan or a proceeding shall be instituted by a fiduciary of any such Material Plan against any member of such ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 90 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any such Material Plan must be terminated;

(j) a judgment or other court order for the payment of money in excess of \$150,000,000 shall be rendered against the Borrower or any of its Material Subsidiaries and such judgment or order shall continue without being vacated, discharged, satisfied or stayed or bonded pending appeal for a period of 45 days;

(k) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) other than trustees and participants in employee benefit plans of the Borrower and its Subsidiaries or the Endowment or Trust, shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Exchange Act) of 50% or more of the outstanding shares of common stock of the Borrower; during any period of twelve consecutive calendar months, individuals (i) who were members of the board of directors of the Borrower or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body shall cease to constitute a majority of the board of directors of the Borrower; or in the case of the Borrower other than the Borrower, the Borrower shall cease to be a Subsidiary of the Borrower; or

(l) any "Event of Default" (as defined in the Master Credit Facility) with respect to the Borrower under the Master Credit Facility;

then, and in every such event, the Administrative Agent shall (i) if requested by Lenders having more than 66-2/3% in aggregate amount of the Commitments, by notice to the Borrower terminate the Commitments as to the Borrower and they shall thereupon terminate, and the Borrower shall no longer be entitled to borrow hereunder, and (ii) if requested by Lenders holding more than 66-2/3% in aggregate principal amount of the Loans of the Borrower, by notice to the Borrower declare such Loans (together with accrued interest thereon) to be, and such Loans (together with accrued interest thereon) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; *provided* that in the case of any of the Events of Default specified in clause (g) or (h) above with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall thereupon terminate with respect to the Borrower and the Loans of the Borrower (together with accrued interest thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

Section 6.02. *Notice of Default.* The Administrative Agent shall give notice to the Borrower under Section 6.01(c) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE 7
THE ADMINISTRATIVE AGENT

Section 7.01. *Appointment and Authorization.* Each Lender irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Notes as are delegated to the Administrative Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

Section 7.02. *Administrative Agent and Affiliates.* Scotiabank shall have the same rights and powers under this Agreement as any other Lender and may exercise or refrain from exercising the same as though it were not the Administrative Agent, and Scotiabank and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or affiliate of the Borrower as if it were not the Administrative Agent hereunder.

Section 7.03. *Action by Administrative Agent.* The obligations of the Administrative Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, the Administrative Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article 6.

Section 7.04. *Consultation with Experts.* The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

Section 7.05. *Liability of Administrative Agent.* Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be liable to any Lender for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Lenders or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article 3, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Administrative Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, facsimile or similar writing) believed by it in good faith to be genuine or to be signed by the proper party or parties. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

Section 7.06. *Indemnification.* Each Lender shall, ratably in accordance with its portion of the Aggregate Exposures, indemnify the Administrative Agent and its Related Parties (to the extent not reimbursed or indemnified by the Borrower) against any cost, expense (including counsel fees and disbursements), claim, demand, action, loss, penalties or liability (except such as result from such indemnitees' gross negligence or willful misconduct) that such indemnitees may suffer or incur in connection with this Agreement or any action taken or omitted by the Administrative Agent in its capacity as such, or by any Related Party acting for the Administrative Agent in connection with such capacity.

Section 7.07. *Credit Decision.* Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

Section 7.08. *Successor Administrative Agent.*

(a) The Administrative Agent may resign at any time by giving notice thereof to the Lenders and the Borrower. Upon any such resignation, (i) the Borrower, with the consent of the Required Lenders (such consent not to be unreasonably withheld or delayed), or (ii) if an Event of Default has occurred and is continuing, then the Required Lenders, shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent gives notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$250,000,000.

(b) If the Person serving as Administrative Agent is a Defaulting Lender, (i) the Borrower, with the consent of the Required Lenders (such consent not to be unreasonably withheld or delayed), or (ii) if an Event of Default has occurred and is continuing, then the Required Lenders, shall have the right to appoint a successor Administrative Agent.

(c) Upon the acceptance of its appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, duties and obligations of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder; *provided* that if such successor Administrative Agent is appointed without the consent of the Borrower, such successor Administrative Agent may be replaced by the Borrower with the consent of the Required Lenders so long as no Event of Default has occurred and is continuing at the time. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent.

(d) The fees payable by the Borrower to any successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor.

Section 7.09. *Administrative Agent's Fee.* The Borrower shall pay to the Administrative Agent for its own account fees in the amounts and at the times previously agreed upon between the Borrower and the Administrative Agent.

Section 7.10. *Other Agents.* None of the Co-Syndication Agents or the Co-Documentation Agents, in their respective capacities as such, shall have any duties or obligations of any kind under this Agreement.

ARTICLE 8
CHANGE IN CIRCUMSTANCES

Section 8.01. *Basis for Determining Interest Rate Inadequate or Unfair.* If on or prior to the first day of any Interest Period for any Euro-Dollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that deposits in dollars (in the applicable amounts) are not being offered to financial institutions in general in the relevant market for such Interest Period, or

(b) Lenders having 66-2/3% or more of the aggregate amount of the affected Loans advise the Administrative Agent that the London Interbank Offered Rate as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lenders of funding their Euro-Dollar Loans for such Interest Period,

the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, (i) the obligations of the Lenders to make Euro-Dollar Loans or to continue or convert outstanding Loans as or into Euro-Dollar Loans shall be suspended and (ii) each outstanding Euro-Dollar Loan shall be converted into a Base Rate Loan on the last day of the then current Interest Period applicable thereto. Unless the Borrower notifies the Administrative Agent at least one Domestic Business Day before the date of any Euro-Dollar Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, such Borrowing shall instead be made as a Base Rate Borrowing.

Section 8.02. *Illegality.* If any Change In Law shall make it unlawful or impossible for any Lender (or its Euro-Dollar Lending Office) to make, maintain or fund any of its Euro-Dollar Loans and such Lender shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Lenders and the Borrower, whereupon until such Lender notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Lender to make Euro-Dollar Loans, or to continue or convert outstanding Loans as or into Euro-Dollar Loans, shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section, such Lender shall designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not be otherwise disadvantageous to such Lender in the good faith exercise of its discretion. If such notice is given, each Euro-Dollar Loan of such Lender then outstanding shall be converted to a Base Rate Loan either (a) on the last day of the then current Interest Period applicable to such Euro-Dollar Loan if such Lender may lawfully continue to maintain and fund such Loan to such day or (b) immediately if such Lender shall determine that it may not lawfully continue to maintain and fund such Loan to such day.

Section 8.03. *Increased Cost and Reduced Return.* (a) If any Change In Law (i) shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended by, any Lender (or its Applicable Lending Office); (ii) shall subject any Lender or Agent to any taxes (other than (A) Taxes, (B) taxes described in clauses (ii), (iii) or (iv) of the exclusions from the definition of Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or (iii) shall impose on any Lender (or its Applicable Lending Office) or on the London interbank market any other condition, cost or expense affecting its Euro-Dollar Loans, its Note or its obligation to make Euro-Dollar Loans and the result of any of the foregoing is to increase the cost to such Lender (or its Applicable Lending Office) of making or maintaining any Euro-Dollar Loan (or, in the case of an adoption or change with respect to taxes, any Loan), or to reduce the amount of any sum received or receivable by such Lender (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Lender to be material, then, within 15 days after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction; *provided* that no such amount shall be payable with respect to any period commencing more than 90 days prior to the date such Lender first notifies the Borrower of its intention to demand compensation therefor under this Section 8.03(a).

(b) If any Lender shall have determined that any Change In Law has or would have the effect of reducing the rate of return on capital or liquidity of such Lender (or its Parent) as a consequence of such Lender's obligations hereunder to a level below that which such Lender (or its Parent) could have achieved but for such Change In Law (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within 15 days after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender (or its Parent) for such reduction; *provided* that no such amount shall be payable with respect to any period commencing less than 30 days after the date such Lender first notifies the Borrower of its intention to demand compensation under this Section 8.03(b).

(c) Each Lender will promptly notify the Borrower and the Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate of any Lender claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

Section 8.04. *Taxes.* (a) For purposes of this Section 8.04 the following terms have the following meanings:

“**FATCA**” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code. For purposes of this Section 8.04, “applicable law” includes FATCA.

“**Taxes**” means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings including any interest, additions to tax or penalties applicable thereto with respect to any payment by or on account of any obligation of the Borrower pursuant to this Agreement or any Note, *excluding* (i) in the case of each Lender and the Administrative Agent, taxes imposed on its income, net worth or gross receipts and franchise or similar taxes imposed on it by a jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or in which its principal executive office is located or, in the case of each Lender, in which its Applicable Lending Office is located, (ii) in the case of each Lender, any United States withholding tax imposed on such payments except to the extent that (A) such Lender is subject to United States withholding tax by reason of a U.S. Tax Law Change or (B) in the case of a Lender not listed on the signature pages hereof or a Participant, amounts with respect to such Taxes were payable pursuant to Section 8.04 to such Lender’s assignor or to such Participant’s participating Lender immediately before such Lender or Participant acquired the applicable interest in a Loan or Commitment; (iii) Taxes attributable to such Lender’s or Administrative Agent’s failure to comply with Section 8.04(d) or (e) and (iv) any U.S. federal withholding Taxes imposed under FATCA.

“**Other Taxes**” means any present or future stamp or documentary taxes and any other excise or property taxes, or similar charges or levies, which arise from any payment made pursuant to this Agreement or under any Note or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note.

“**U.S. Tax Law Change**” means with respect to any Lender or Participant the occurrence (x) in the case of each Lender listed on the signature pages hereof, after the date of its execution and delivery of this Agreement and (y) in the case of any other Lender, after the date such Lender shall have become a Lender hereunder, and (z) in the case of each Participant, after the date such Participant became a Participant hereunder, of the adoption of any applicable U.S. federal law, U.S. federal rule or U.S. federal regulation relating to taxation, or any change therein, or the entry into force, modification or revocation of any income tax convention or treaty to which the United States is a party.

(b) Any and all payments by or any account of the Borrower to or for the account of any Lender or the Administrative Agent hereunder or under any Note shall be made without deduction for any Taxes or Other Taxes, except as required by applicable law; provided that if the Borrower or the Administrative Agent shall be required by law to deduct any Taxes or Other Taxes from any such payments, (i) the sum payable by the

Borrower shall be increased as necessary so that after all required deductions are made (including deductions applicable to additional sums payable under this Section 8.04) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower or the Administrative Agent shall make such deductions, (iii) the Borrower or the Administrative Agent shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law and (iv) if the withholding agent is the Borrower, the Borrower shall furnish to the Administrative Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt evidencing payment thereof.

(c) The Borrower agrees to indemnify each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 8.04) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be paid within 15 days after such Lender or the Administrative Agent (as the case may be) makes demand therefor.

(d) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Lender listed on the signature pages hereof and on or prior to the date on which it becomes a Lender in the case of each other Lender, and from time to time thereafter as required by law or requested by the Borrower or the Administrative Agent (but only so long as such Lender remains lawfully able to do so), shall provide the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) with whichever of the following is applicable (including any successor forms prescribed by the Internal Revenue Service):

(i) in the case of a Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest hereunder or under any Note, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments hereunder or under any Note, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate reasonably acceptable to the Administrative Agent to the effect that such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(iv) to the extent a Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Lender is a partnership and one or more direct or indirect partners of such Lender are claiming the portfolio interest exemption, such Lender may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner.

(e) Any Lender that is organized under the laws of a jurisdiction within the United States shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax.

(f) If a payment made to a Lender hereunder or under any Note would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) If a Lender, which is otherwise exempt from or subject to a reduced rate of withholding tax, becomes subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

(i) If the Borrower is required to pay additional amounts to or for the account of any Lender pursuant to this Section 8.04, then such Lender will take such action (including changing the jurisdiction of its Applicable Lending Office) as in the good faith judgment of such Lender (i) will eliminate or reduce any such additional payment which may thereafter accrue and (ii) is not otherwise disadvantageous to such Lender.

(j) If any Lender or the Administrative Agent receives a refund of any Taxes or Other Taxes for which the Borrower has made a payment under Section 8.04(b) or (c) and such refund was received from the taxing authority which originally imposed such Taxes or Other Taxes, such Lender or the Administrative Agent agrees to reimburse the Borrower to the extent of such refund; *provided* that nothing contained in this paragraph (j) shall require any Lender or the Administrative Agent to seek any such refund or make available its tax returns (or any other information relating to its taxes which it deems to be confidential).

(k) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Borrower to do so), (ii) any taxes attributable to such Lender's failure to comply with the provisions of Section 9.06(b) relating to the maintenance of a Participant Register and (iii) any taxes excluded from the definition of Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with this Agreement or any Note, and any reasonable expenses arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender hereunder or under any Note or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (k).

Section 8.05. *Base Rate Loans Substituted for Affected Euro-Dollar Loans.* If (i) the obligation of any Lender to make or to continue or convert outstanding Loans as or into Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Lender has demanded compensation under Section 8.03(a) with respect to its Euro-Dollar Loans and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Lender through the Administrative Agent, have elected that the provisions of this Section shall apply to such Lender, then, unless and until such Lender notifies the Borrower that the circumstances giving rise to such suspension or demand for compensation no longer apply:

(a) all Loans which would otherwise be made by such Lender as (or continued as or converted to) Euro-Dollar Loans, as the case may be, shall instead be Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Lenders), and

(b) after each of its Euro-Dollar Loans has been repaid, all payments of principal which would otherwise be applied to repay such Loans shall be applied to repay its Base Rate Loans instead.

If such Lender notifies the Borrower that the circumstances giving rise to such suspension or demand for compensation no longer exist, the principal amount of each such Base Rate Loan shall be converted into a Euro-Dollar Loan on the first day of the next succeeding Interest Period applicable to the related Euro-Dollar Loans of the other Lenders.

Section 8.06. *Substitution of Lender; Termination Option.* If (i) the obligation of any Lender to make or to convert or continue outstanding Loans as or into Euro-Dollar Loans has been suspended pursuant to Section 8.02, (ii) any Lender has demanded compensation under Section 8.03 or 8.04 (including any demand made by a Lender on behalf of a Participant), (iii) [reserved], (iv) any Lender becomes a Defaulting Lender, (v) Investment Grade Status ceases to exist as to any Lender or, (vi) for purposes of (a) below only, any Lender becomes a Non-Consenting Lender, then:

(a) the Borrower shall have the right, with the assistance of the Administrative Agent (or, if the Administrative Agent is a Defaulting Lender, the Required Lenders), to designate an Assignee (which may be one or more of the Lenders) mutually satisfactory to the Borrower and, so long as any such Persons are not Defaulting Lenders, the Administrative Agent (whose consent shall not be unreasonably withheld or delayed) to purchase for cash, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit D hereto, the outstanding Loans of such Lender and assume the Commitment of such Lender (including any Commitments and Loans that have been participated), without recourse to or warranty by, or expense to, such Lender, for a purchase price equal to the principal amount of all of such Lender's outstanding Loans plus any accrued but unpaid interest thereon and the accrued but unpaid fees in respect of such Lender's Commitment hereunder and all other amounts payable by the Borrower to such Lender hereunder plus such amount, if any, as would be payable pursuant to Section 2.13 if the outstanding Loans of such Lender were prepaid in their entirety on the date of consummation of such assignment; and

(b) if at the time Investment Grade Status exists as to the Borrower, the Borrower may elect to terminate this Agreement as to such Lender (including any Commitments and Loans that have been participated); *provided* that (i) the Borrower notifies such Lender through the Administrative Agent (or, if the Administrative Agent is a Defaulting Lender, the Required Lenders) of such election at least three Euro-Dollar Business Days before the effective date of such termination and (ii) the Borrower repay or prepay the principal amount of all outstanding Loans made by such Lender plus any accrued but unpaid interest thereon and the accrued but unpaid fees in respect of such Lender's Commitment hereunder plus all other amounts payable by the Borrower to such Lender hereunder, not later than the effective date of such termination. Upon satisfaction of the foregoing conditions, the Commitment of such Lender shall terminate on the effective date specified in such notice.

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Notices.*

(a) All notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, bank wire, facsimile transmission or similar writing) and shall be given to such party: (x) in the case of the Borrower or the Administrative Agent, at its address or facsimile number set forth on the signature pages hereof, (y) in the case of any Lender, at its address or facsimile number set forth in its Administrative Questionnaire or (z) in the case of any party, such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrower. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Section and the appropriate answerback or confirmation slip, as the case may be, is received or (ii) if given by any other means, when delivered at the address specified in this Section; *provided* that notices to the Administrative Agent under Article 2 or Article 8 shall not be effective until delivered. Notices delivered through electronic communications shall be effective as and to the extent provided in subsection (b) below.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent or as otherwise determined by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Section by electronic communication. The Administrative Agent or the Borrower may, in its respective discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it or as it otherwise determines, provided that such determination or approval may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Domestic Business Day or Euro-Dollar Business Day, as applicable, for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

Section 9.02. *No Waivers.* No failure or delay by the Administrative Agent or any Lender in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.03. *Expenses; Indemnification.* (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses of the Administrative Agent, including reasonable fees and disbursements of one special counsel for the Administrative Agent, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default with respect to the Borrower hereunder and (ii) if an Event of Default with respect to the Borrower occurs, all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including reasonable fees and disbursements of one primary counsel for the Administrative Agent and the Lenders (and (x) if necessary, a single firm of local counsel to the Administrative Agent and the Lenders in each appropriate jurisdiction and (y) solely in the case of any actual or potential conflict of interest, one additional counsel in each relevant jurisdiction to the affected Persons similarly situated), in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom.

(b) The Borrower agrees to indemnify each Agent and each Lender and the respective Related Parties of the foregoing (each an "Indemnitee") and hold each Indemnitee harmless from and against any and all liabilities, losses, penalties, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of one counsel for all Indemnitees taken as a whole and, in the case of any actual or potential conflict of interest, one additional counsel to each group of affected Indemnitees similarly situated taken as a whole, which may be incurred by such Indemnitee arising out of or in connection with any claim, litigation, investigation or proceeding (whether or not such Indemnitee shall be designated a party thereto) relating to or arising out of this Agreement, or any actual or proposed use of proceeds of Loans hereunder; *provided* that no Indemnitee shall have the right to be indemnified hereunder for such Indemnitee's own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

(c) To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the transactions contemplated hereby or thereby.

Section 9.04. *Sharing of Set-offs.* Each Lender agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount then due with respect to the Loans held by it which is greater than the proportion received by any other Lender in respect of the aggregate amount then due with respect to the Loans held by such other Lender, the Lender receiving such proportionately greater payment shall purchase such participations in the Loans held by the other Lenders, and such other adjustments shall be made, as may be

required so that all such payments with respect to the Loans held by the Lenders shall be shared by the Lenders pro rata; *provided* that nothing in this Section shall impair the right of any Lender to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness under this Agreement.

Section 9.05. *Amendments and Waivers.* (a) Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Required Lenders (and, if the rights or duties of any Agent are affected thereby, by such Agent); *provided* that no such amendment or waiver shall (x) unless signed by each adversely affected Lender, (i) increase the Commitment of any Lender or subject any Lender to any additional obligation, (ii) reduce the principal of or rate of interest on any Loan or any interest thereon or any fees hereunder, or (iii) postpone the date fixed for any payment of principal of or interest on any Loan or interest thereon or any fees hereunder or for termination of any Commitment or (y) unless signed by all Lenders, (i) change the definition of Required Lenders or the provisions of this Section 9.05 or (ii) change the provisions of Section 9.04 or of any other provision of this Agreement providing for the ratable application of payments in respect of the Loans.

(b) (i) If any representation or warranty in Article 4 of the Master Credit Facility, any covenant in Article 5 of the Master Credit Facility or any event of default in Article 6 of the Master Credit Facility and, in each case, any related definitions in the Master Credit Facility, is replaced, changed, amended, modified, supplemented or removed or (ii) any Default or Event of Default (as such terms are defined in the Master Credit Facility) is waived (any of the foregoing in clauses (i) and (ii), a "Change"), regardless of whether the Master Credit Facility is replaced, refinanced, amended and restated, amended, modified or supplemented and regardless of whether any such Change occurs in the corresponding article or definitions, such Change shall be incorporated automatically into this Agreement, or in the case of a waiver will be applied automatically to this Agreement for the corresponding Default or Event of Default occurring hereunder, in each case upon the later of (A) the effectiveness of such Change in the Master Credit Facility and (B) the 30th day after the Administrative Agent's receipt of notice from the Borrower of such Change, provided that the Required Lenders hereunder do not notify the Borrower through the Administrative Agent within 30 days after the Administrative Agent's receipt of such notice from the Borrower of their election (which may be made in their discretion) that such Change shall not be effective with respect to this Agreement; *provided* that no Change to the Master Credit Facility shall amend, waive, modify or impact the rights or remedies of the Lenders with respect to a Default or Event of Default under Section 6.01(a) of this Agreement.

Section 9.06. *Successors and Assigns.* (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and each Indemnitee, except that no Borrower may assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Lenders.

(b) Any Lender may, with the consent (unless an Event of Default then exists) of the Borrower (such consent not to be unreasonably withheld or delayed), at any time grant to one or more banks or other institutions (each a "Participant") participating interests in its Commitment or any or all of its Loans; *provided* that any Lender may, without the consent of the Borrower, at any time grant participating interests in its Commitment or any or all of its Loans to another Lender, an Approved Fund or an Affiliate of such transferor Lender. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that (A) such Participant agrees to be subject to Section 8.06 as if it were an Assignee under paragraph (c) of this Section 9.06 or as if it were the Lender granting such participation and (B) such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement described in clause (x)(i), (ii) or (iii) of Section 9.05(a) without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article 8 with respect to its participating interest, subject to the performance by such Participant of the obligations of a Lender thereunder (it being understood that the documentation required under Section 8.04 shall be delivered by the Participant to the participating Lender and the Participant agrees to be subject to the provisions of Sections 8.04(i), 8.04(j) and 8.06 as if it were an Assignee). In addition, each Lender that sells a participation agrees, at the Borrower's request, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 8.06 with respect to any Participant. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations hereunder or under any Note (the "Participant Register"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant (other than for the consent requirements set forth in the first sentence of this Section 9.06(b)) or any information relating to a Participant's interest in any Commitments, Loans or its other obligations hereunder or under any Note) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(c) Any Lender may at any time assign to one or more banks or other financial institutions (each an "Assignee") other than (w) the Borrower (x) a Subsidiary or Affiliate of the Borrower, (y) a Defaulting Lender or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender, or (z) a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), all, or a proportionate part (equivalent to an initial Commitment of not less than \$10,000,000 (unless the Borrower and the Administrative Agent shall otherwise agree)) of all, of its rights and obligations under this Agreement and its Note (if any), and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit D hereto executed by such Assignee and such transferor Lender, with (and only with and subject to) the prior written consent of the Administrative Agent (which shall not be unreasonably withheld or delayed) and, so long as no Event of Default has occurred and is continuing, the Borrower (which shall not be unreasonably withheld or delayed); *provided* that unless such assignment is of the entire right, title and interest of the transferor Lender hereunder, after making any such assignment such transferor Lender shall have a Commitment of at least \$10,000,000 (unless the Borrower and the Administrative Agent shall otherwise agree). Upon execution and delivery of such instrument of assumption and payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such instrument of assumption, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Lender, the Administrative Agent and the Borrower shall make appropriate arrangements so that, if required by the Assignee, a Note(s) is issued to the Assignee. The Assignee shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent any certifications, forms or other documentation in accordance with Section 8.04. All assignments (other than assignments to Affiliates) shall be subject to a transaction fee established by, and payable by the transferor Lender to, the Administrative Agent for its own account (which shall not exceed \$3,500).

(d) Any Lender may at any time assign all or any portion of its rights under this Agreement and its Note (if any) to a Federal Reserve Bank. No such assignment shall release the transferor Lender from its obligations hereunder or modify any such obligations.

(e) No Assignee, Participant or other transferee of any Lender's rights (including any Applicable Lending Office other than such Lender's initial Applicable Lending Office) shall be entitled to receive any greater payment under Section 8.03 or 8.04 than such Lender would have been entitled to receive with respect to the rights transferred, unless such transfer is made by reason of the provisions of Section 8.02, 8.03 or 8.04 requiring such Lender to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

Section 9.07. *Collateral.* Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any “margin stock” (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

Section 9.08. *Confidentiality.* Each Lender Party (i) agrees to keep any information delivered or made available by the Borrower pursuant to this Agreement confidential from anyone other than persons employed or retained by such Lender Party and its Affiliates who are engaged in evaluating, approving, structuring or administering the credit facility contemplated hereby and (ii) further agrees on behalf of itself and, to the extent it has the power to do so, its Affiliates and agents, to keep all other information delivered or made available to it by the Borrower or Affiliate of the Borrower for other purposes which, (x) is marked confidential and is expressly made available subject to the terms of this section, and (y) is not otherwise subject to a confidentiality agreement, confidential from anyone other than persons employed or retained by such Lender Party and its Affiliates and agents who need to receive such information in furtherance of the engagement or matter pursuant to which the information is provided; *provided* that nothing herein shall prevent any Lender Party or, solely with respect to information disclosed in a manner set forth in clauses (b) through (g) and (m) in this Section 9.08, any Affiliate of such Lender from disclosing such information, to the extent necessary under the circumstances under which such disclosure is required, (a) to any other Lender or any Agent, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority or self-regulatory body, (d) which had been publicly disclosed other than as a result of a disclosure by any Lender Party prohibited by this Agreement or which had already been in the possession of a Lender Party or not acquired from the Borrower or persons known by Lender Parties to be in breach of an obligation of confidentiality to the Borrower, (e) in connection with any litigation to which any Lender Party or any Affiliate or their respective subsidiaries or Parent may be a party, (f) to the extent necessary in connection with the exercise of any remedy hereunder or other engagement or matter, (g) to such Lender Party’s or Affiliate’s legal counsel and independent auditors, (h) subject to provisions substantially similar to those contained in this Section 9.08, to any actual or proposed Participant or Assignee, (i) to any direct, indirect, actual or prospective counterparty (and its advisor) to any swap, derivative or securitization transaction related to the obligations under this Agreement, (j) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the loans, (k) on a confidential basis to rating agencies in consultation and coordination with the Borrower, (l) for purposes of establishing a “due diligence” defense, (m) with the consent of the Borrower and (n) on a confidential basis to any credit insurance provider requiring access to such information in connection with credit insurance for the benefit of the disclosing Lender Party.

Section 9.09. *Governing Law; Submission to Jurisdiction.* This Agreement and each Note (if any) shall be construed in accordance with and governed by the law of the State of New York. The Borrower and each Lender Party hereby submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York County for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower and each Lender Party irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

Section 9.10. *Counterparts; Integration.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.11. *WAIVER OF JURY TRIAL.* EACH OF THE BORROWER, THE AGENTS AND THE LENDERS, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.12. *USA Patriot Act.* Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

Section 9.13. *[Reserved].*

Section 9.14. *No Fiduciary Duty.* The Borrower agrees that in connection with all aspects of the Loans contemplated by this Agreement and any communications in connection therewith, (i) the Borrower and its Subsidiaries, on the one hand, and the Agents, the Lenders and their respective affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agents, the Lenders or their respective affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications and (ii) the Administrative Agent, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any Lender has any obligation to disclose any of such interests to the Borrower or any of its Affiliates.

Section 9.15. *Survival*. Each party's rights and obligations under Articles 7, 8 and 9 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations hereunder or under any Note and the termination of this Agreement.

Section 9.16. *Acknowledgement and Consent to Bail-in of EEA Financial Institutions*. Notwithstanding anything to the contrary in this Agreement, any Note or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Agreement or any Note, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any Note; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year above first written.

DUKE ENERGY CORPORATION, as the Borrower.

By: /s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

[Signature Page to Credit Agreement]

THE BANK OF NOVA SCOTIA, as a Lender and as
Administrative Agent

By: /s/ David Dewar

Name: David Dewar
Title: Director

[Signature Page to Credit Agreement]

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Madeline L. Moran

Name: Madeline L. Moran

Title: Vice President

[Signature Page to Credit Agreement]

SUMITOMO MITSUI BANKING CORPORATION, as a Lender

By: /s/ James D. Weinstein

Name: James D. Weinstein
Title: Managing Director

[Signature Page to Credit Agreement]

TD Bank, N.A., as a Lender

By: /s/ Shannon Batchman

Name: Shannon Batchman
Title: Senior Vice President

[Signature Page to Credit Agreement]

Bank of China, New York Branch, as a Lender

By: /s/ Raymond Qiao

Name: Raymond Qiao

Title: Managing Director

[Signature Page to Credit Agreement]

BNP PARIBAS, as a Lender

By: /s/ Denis O'Meara
Name: Denis O'Meara
Title: Managing Director

BNP PARIBAS, as a Lender

By: /s/ Karima Omar
Name: Karima Omar
Title: Vice President

[Signature Page to Credit Agreement]

SANTANDER BANK, N.A., as a Lender

By: /s/ Andres Barbosa

Name: Andres Barbosa

Title: Executive Director

[Signature Page to Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ James O'Shaughnessy

Name: James O'Shaughnessy

Title: Vice President

[Signature Page to Credit Agreement]

COMMITMENT SCHEDULE

<u>Lender</u>	<u>Total Commitments</u>
The Bank of Nova Scotia	\$ 175,000,000.00
PNC Bank, National Association	\$ 175,000,000.00
Sumitomo Mitsui Banking Corporation	\$ 175,000,000.00
TD Bank, N.A.	\$ 175,000,000.00
Bank of China, New York Branch	\$ 75,000,000.00
BNP Paribas	\$ 75,000,000.00
Santander Bank, N.A.	\$ 75,000,000.00
U.S. Bank National Association	\$ 75,000,000.00
TOTAL	\$ 1,000,000,000

Pricing Schedule

Each of “Applicable Margin” and “Facility Fee Rate” means, for any date, the rate set forth below in the applicable row and column corresponding to the credit rating of the Borrower that exists on such date:

(basis points per annum)

Borrower's Credit Rating	at least A- by S&P or Fitch or A3 by Moody's	at least BBB+ by S&P or Fitch or Baa1 by Moody's	at least BBB by S&P or Fitch or Baa2 by Moody's	less than BBB by S&P or Fitch or less than Baa2 by Moody's
Facility Fee Rate	12.5	12.5	12.5	12.5
Applicable Margin				
Euro-Dollar Loans	82.5	92.5	117.5	132.5
Base Rate Loans	0.0	0.0	17.5	32.5

For purposes of the above Pricing Schedule a “Borrower Credit Rating” means, as of any date of determination with respect to the Borrower, the rating as determined by Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc., together with its successors (“S&P”), or Moody’s Investors Service, Inc., together with its successors (“Moody’s”), or Fitch Ratings Inc., together with its successors (“Fitch”), of the Borrower’s non-credit-enhanced, senior unsecured long-term debt, regardless of whether any such debt is outstanding; provided that (a) if ratings exist by all three rating agencies and the respective ratings issued by two of the rating agencies are the same and one differs, the pricing level shall be determined based on the two ratings that are the same, (b) if ratings exist by all three rating agencies and none of the respective ratings are the same, the pricing level shall be determined based on the middle rating, (c) if only two ratings exist and they differ by one level, then the pricing level for the higher of such ratings shall apply; (d) if only two ratings exist and they differ by more than one level, then the pricing level that is one level lower than the pricing level of the higher rating shall apply; (e) if only one rating exists, the pricing level shall be determined based on that rating; (f) if no such rating exists for the Borrower, then a corporate credit rating from S&P and the issuer ratings from Moody’s and Fitch should be used and differences between those ratings and resolving non-existent ratings from any of those rating

agencies shall be determined in the same manner as set forth in clauses (a) through (e) of this proviso; and (g) if no such rating in clause (f) exists for the Borrower, the highest pricing level (less than "BBB" pricing level) shall apply. A change in rating will result in an immediate change in the applicable pricing.

EXHIBIT A

NOTE

New York, New York
, 20

For value received, Duke Energy Corporation., a Delaware corporation (the “**Borrower**”), promises to pay to [] (the “**Lender**”) or its registered assigns, for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Lender to the Borrower pursuant to the Credit Agreement referred to below on the date specified in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of The Bank of Nova Scotia.

All Loans made by the Lender, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Lender, and the Lender, if the Lender so elects in connection with any transfer or enforcement of its Note, may endorse on the schedule attached hereto appropriate notations to evidence the foregoing information with respect to the Loans then outstanding; *provided* that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Notes referred to in the Credit Agreement dated as of June 14, 2017 among Duke Energy Corporation, the Lenders party thereto, The Bank of Nova Scotia, as Administrative Agent, and the other Agents party thereto (as the same may be amended, restated, amended and restated, supplement or otherwise modified from time to time, the “**Credit Agreement**”). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

DUKE ENERGY CORPORATION

By: _____

Name:

Title:

Note (cont'd)

LOANS AND PAYMENTS OF PRINCIPAL

<u>Date</u>	<u>Amount of Loan</u>	<u>Type of Loan</u>	<u>Amount of Principal Repaid</u>	<u>Commitment Termination Date</u>	<u>Notation Made By</u>

EXHIBIT B

[RESERVED]

B-1

EXHIBIT C

[RESERVED]

C-1

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

AGREEMENT dated as of _____, 20 ____ among [ASSIGNOR] (the "Assignor"), [ASSIGNEE] (the "Assignee"), [DUKE ENERGY CORPORATION, a Delaware corporation] and THE BANK OF NOVA SCOTIA, as Administrative Agent (the "Administrative Agent").

WITNESSETH

WHEREAS, this Assignment and Assumption Agreement (the "Agreement") relates to the Credit Agreement dated as of June 14, 2017 among Duke Energy Corporation, the Assignor and the other Lenders party thereto, as Lenders, the Administrative Agent and the other Agents party thereto (as the same may be amended, modified, extended or restated from time to time, the "Credit Agreement");

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans to the Borrower in an aggregate principal amount at any time outstanding not to exceed \$ _____;¹

WHEREAS, Loans made to the Borrower by the Assignor under the Credit Agreement in the aggregate principal amount of \$ _____ are outstanding at the date hereof; and

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit Agreement in respect of a portion of its Commitment thereunder in an amount equal to \$ _____ (the "Assigned Amount"), together with a corresponding portion of its outstanding Loans, and the Assignee proposes to accept assignment of such rights and assume the corresponding obligations from the Assignor on such terms;*

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. *Definitions.* All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

SECTION 2. *Assignment.* The Assignor hereby assigns and sells to the Assignee all of the rights of the Assignor under the Credit Agreement to the extent of the Assigned Amount, and the Assignee hereby accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit Agreement to the extent of the Assigned Amount, including the purchase from the Assignor of the

¹ The asterisked provisions shall be appropriately revised in the event of an assignment after the Commitment Termination Date.

corresponding portion of the principal amount of the Loans made by the Assignor outstanding at the date hereof. Upon the execution and delivery hereof by the Assignor, the Assignee [the Borrower] and the Administrative Agent, and the payment of the amounts specified in Section 3 required to be paid on the date hereof (i) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Lender under the Credit Agreement with a Commitment in an amount equal to the Assigned Amount, and (ii) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. *Payments.* As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them.² It is understood that facility fees accrued to the date hereof in respect of the Assigned Amount are for the account of the Assignor and such fees accruing from and including the date hereof are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

SECTION 4. *Consent to Assignment.* This Agreement is conditioned upon the consent of [the Borrower and] the Administrative Agent pursuant to Section 9.06(c) of the Credit Agreement. The execution of this Agreement by [the Borrower and] the Administrative Agent is evidence of this consent. Pursuant to Section 9.06(c) the Borrower agrees to execute and deliver a Note, if required by the Assignee, payable to the order of the Assignee to evidence the assignment and assumption provided for herein.

SECTION 5. *Non-reliance on Assignor.* The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition, or statements of the Borrower, or the validity and enforceability of the obligations of the Borrower in respect of the Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Borrower.

SECTION 6. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

² Amount should combine principal together with accrued interest and breakage compensation, if any, to be paid by the Assignee. It may be preferable in an appropriate case to specify these amounts generically or by formula rather than as a fixed sum.

SECTION 7. *Counterparts*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 8. *Administrative Questionnaire*. Attached is an Administrative Questionnaire duly completed by the Assignee.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By: _____
Name:
Title:

[ASSIGNEE]

By: _____
Name:
Title:

[DUKE ENERGY CORPORATION]

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA, as Administrative Agent

By: _____
Name:
Title: