

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

**IN THE MATTER OF THE ADJUSTMENT
OF NATURAL GAS RATES OF DUKE ENERGY KENTUCKY, INC.**

CASE NO. 2018-00261

FILING REQUIREMENTS

VOLUME 3

Duke Energy Kentucky, Inc.
Case No. 2018-00261
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.	Amy B. Spiller
1	2	807 KAR 5:001 Section 7(1)	The original and 10 copies of application plus copy for anyone named as interested party.	Amy B. Spiller
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> <p>(i) Detailed income statement and balance sheet.</p>	Robert H. "Beau" Pratt Michael Covington
1	4	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.	Amy B. Spiller
1	5	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.	Amy B. Spiller

1	6	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.	Amy B. Spiller
1	7	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.	Amy B. Spiller
1	8	807 KAR 5:001 Section 16 (1)(b)(1)	Reason adjustment is required.	Amy B. Spiller William Don Wathen, Jr.
1	9	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.	Amy B. Spiller
1	10	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	11	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	12	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.	Amy B. Spiller
1	13	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.	Amy B. Spiller
1	14	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.	Amy B. Spiller
1	15	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. "Beau" Pratt
1	16	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. "Beau" Pratt
1	17	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	18	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. "Beau" Pratt

1	19	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. "Beau" Pratt
1	20	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	21	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	22	807 KAR 5:001 Section 16(7)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Robert H. "Beau" Pratt Gary J. Hebbeler
1	23	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. "Beau" Pratt
1	24	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. "Beau" Pratt
1	25	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.	Amy B. Spiller
1	26	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. "Beau" Pratt Gary J. Hebbeler
1	27	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. "Beau" Pratt Gary J. Hebbeler

1	28	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. "Beau" Pratt Gary J. Hebbeler Benjamin Passty
1	29	807 KAR 5:001 Section 16(7)(i)	Most recent FERC or FCC audit reports.	Michael Covington
1	30	807 KAR 5:001 Section 16(7)(j)	Prospectuses of most recent stock or bond offerings.	Robert H. "Beau" Pratt
1	31	807 KAR 5:001 Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).	Michael Covington
2	32	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.	Robert H. "Beau" Pratt
3	33	807 KAR 5:001 Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	Michael Covington
3	34	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.	Michael Covington
3	35	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.	Michael Covington Robert H. "Beau" Pratt
3-11	36	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.	Michael Covington
11	37	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.	Michael Covington
11	38	807 KAR 5:001 Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	Robert H. "Beau" Pratt

11	39	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
11	40	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
11	41	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: 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; and 4. 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
11	42	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	43	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	44	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	45	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. "Beau" Pratt John R. Panizza James E. Ziolkowski Michael Covington
11	46	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	47	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. "Beau" Pratt James E. Ziolkowski
11	48	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.	John R. Panizza
11	49	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	50	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 Renee H. Metzler
11	51	807 KAR 5:001 Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period.	Sarah E. Lawler
11	52	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.	Michael Covington Robert H. "Beau" Pratt
11	53	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.	Robert H. "Beau" Pratt
11	54	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. "Beau" Pratt Michael Covington
11	55	807 KAR 5:001 Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes.	Bruce L. Sailors
11	56	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	57	807 KAR 5:001 Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Bruce L. Sailors
11	58	807 KAR 5:001 Section 16(9)	The commission shall notify the applicant of any deficiencies in the application within thirty (30) days of the application's submission. An application shall not be accepted for filing until the utility has cured all noted deficiencies.	William Don Wathen, Jr.

11	59	807 KAR 5:001 Section (17)(1)	<p>(1) Public postings.</p> <p>(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.</p> <p>(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:</p> <ol style="list-style-type: none"> 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. <p>(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.</p>	Amy B. Spiller
11	60	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>	Amy B. Spiller

11	61	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>	Amy B. Spiller
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11	62	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	63	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 (n)	Schedule Book, including Work Papers (Schedules A-N)	Various
13	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 1 of 3)	Various
14	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 2 of 3)	Various
15	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 3 of 3)	Various
16-17	-	KRS 278.2205(6)	Cost Allocation Manual	Legal

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(m)**

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

Description of Filing Requirement:

A current chart of accounts if more detailed than the Uniform System of Accounts chart.

Response:

See attached. The company uses the Uniform System of Accounts.

Witness Responsible: Michael Covington

Account Number	Account Description
0101000	Property Plant and Equipment
0101150	Common Plant in Service
0101315	ARO Asset - Coal Ash
0101499	Asset Retirement Obligations
0101950	Allocated - Common Plant in Service
0105100	Plt Held For Future Use - Wo Sys
0106000	Comp Const Unclassified
0106102	CCNC - Common
0106950	Allocated - Common CCNC
0107000	SCHM Cwip
0107950	Allocated - Common CWIP
0108000	Accumulated DDandA - Ppande
0108101	Accum DD&A- Common PP&E
0108151	Common Accum Dep - COR
0108301	Accum Depreciation COR
0108315	ARO Accum Depr - Coal Ash
0108499	Aro Asset Accum Depreciation
0108600	SCHM Retirement Wip
0108620	RWIP - Reg Liab
0108950	Allocated- Common Accum Depreciation
0108951	Allocated - Common Acc Dep COR
0111100	Acc Prov - Amor Plt in Ser
0111110	Common Accum Amort
0111950	Allocated- Common Accunulated Amortization
0121000	NonUtil Prop - General
0121500	NonUtility - Construction Wip
0124090	Invst-Campbell Co Bus Develop
0128716	Prefunded Pension (major)
0128717	Prefunded Pension
0131088	Cash Wells Fargo 1157
0131155	Cash PNC 0659
0131158	Cash JPM Chase 9831
0131160	Cash JPM Chase 7099
0131202	Cash BOA 7084
0142011	Accounts Receivable Other
0142100	Cust Accts - Special Billed Acct
0142200	Cust Acct - Edp
0142801	A/R-Passport Interface
0142830	A/R-Merch/Jobb/Contract Work
0142891	IC Customer AR Sold VIE
0142982	Def Rev Rec - Unbilled Fuel
0142997	A/R BPM - Estimate
0143009	Cust Accts-Special Billed Acct
0143011	A/R - Other - Gen Acctg
0143119	Off - System Storms Receivables

0143151	Other A/R-Misc Non-Utility
0143155	Other A/R - Miscellaneous
0143180	Ret Med Life Den/Prem Withheld
0143221	LT Asset: Interest Receiv
0143272	Misc Accts Rec-EA
0143320	Mar Billed - Edp
0143342	Receivables Misc Transactions
0143852	A/R-Regional Transmission
0143870	Cust Billing-Outdoor Light
0143891	IC Other AR Sold VIE
0144100	SCHM Uncollectible Accrual Electric
0144700	Prov for MARBS Uncollectibles
0145004	IC Moneypool - ST Notes Receiv
0145891	IC Note Rec VIE
0146000	AR Intercompany Crossbill
0146006	IC Moneypool - Interest Receiv
0146009	I/C AR Rollup
0146104	IC AR - Joint Dispatch
0146250	IC Netting - Accts Receivable
0146974	A/R - Affiliates
0146992	Federal Tax Refunds - Interco
0151126	Fuel Stock - Propane
0151130	Coal Stock
0151131	Coal Stock in Transit
0151140	Diesel Fuel Stock
0151700	Propane Inventory
0154100	Inventory
0154200	Limestone Inventory
0154410	Working Stock
0154990	Schm Inv Cr - Surplus Mat'L Ident
0158150	SO2 Current Vintage
0158170	Annual NOx Current Vintage
0158183	Seasonal NOx Current
0163110	Stores Expense
0163120	Stores Expense - Joint Owner
0164100	Storage Gas - Current Inventory
0165075	Interco Prepaid Insu SchM
0165400	Misc Prepaid Expenses
0165520	Collateral Asset
0173100	Unbilled Revenue Receivable
0173891	IC Unbilled AR Sold VIE
0174015	Customer Collateral
0174300	Swap Int Recvbl Cur Reg Asset
0174995	Native Deferred MTM Asset
0175001	Deriv Assets - Noncashflw - ST
0175002	Deriv Assets - Noncashflw - LT

0181021	Unamortized Debt Expense
0181056	Unamortized Debt Exp - CurrLTD
0181332	\$30M 3.35 DEK 09/15/2029
0181333	\$30M 4.11 DEK 09/15/2047
0181334	\$30M 4.26 DEK 09/15/2057
0181335	UnamDebtExp 100M 465 DEK Debs
0181336	45M 3 42 DEK 01/15/2026
0181337	50M 4 45 DEK 01/15/2046
0181400	Credit Facilities Fee
0181839	ULHP 50M 5 75 3/10/16
0181840	ULHP 65M 6 2 3/10/2036
0181843	ULHP PCB 06B
0181844	LOC FEE KY PCB Series 2010
0181845	5 0 Debs 12/15/14
0181869	ULHP PCB 06A
0182050	East Bend Plant O&M Expense
0182312	Oprb FAS 106 - Medical
0182315	Reg Asset - Coal Ash Pond ARO
0182318	Other Reg Assets - Gen Acct
0182320	Regulatory Asset - Inc Tax
0182366	Carbon Mgmt Reg Asset
0182401	Deferred DSM Costs
0182402	ARO Other Regulatory Asset
0182403	Gas ARO Other Regulatory Asset
0182410	Interest Rate Swap Reg Asset
0182471	Coal Ash Spend - Retail (NC&MW)
0182493	Def Depr - East Bend
0182506	Spend RA Amortization (NC&MW)
0182507	Spend RA Amortization (SC&FL)
0182525	Non-AMI Meter NBV 182.3
0182700	Hurricane Ike Regulatory Asset
0182714	Opt-Out IT Modifications
0182715	Deferred Gas Integrity Costs
0182716	Ohio Gas Integrity Deferral Co
0182800	Acc Pen Post Ret Pur Acct-Qual
0182801	Pension Post Retire P Acctg - FAS87 NQ
0182802	Pension Post Retire P Acctg - FAS 106
0183000	Prelim Survey and Investigation
0184023	Clearing Payroll Fixed Distr
0185000	Temporary Facilities
0186028	2018 DEK Gas Rate Case Def
0186108	DEK 2017 ELEC Rate Case Exp
0186120	Misc. Wip - Fp Dist. Wids
0186251	Contra Equity Coal Ash Spend RA
0186342	Vacation Accrual Regulatory Asset
0186470	Error Suspense - Corp Payroll

0186500	Other Long Term Receivable
0186610	PEC Unrecovered Plant
0186770	Misc Deferred Debits Debt
0186802	Accr Pen FAS158 - Qual
0189100	Schm Unamt Loss Reaq Dt
0190000	Adit: Assets
0190001	Adit: Prepaid: Federal Taxes
0190002	Adit: Prepaid: State Taxes
0190052	Accum Deferred SIT-OCI
0190053	Accum Deferred FIT-Plant
0190054	Accum Deferred SIT-Plant
0190155	Deferred Tax - Nol
0191400	Unrecovered Purch Gas Cost
0191800	Unrec Purch Gas - Unbilled Rev
0201000	Common Stock Issued
0207001	Premium on Common Stock
0208000	Donations From Stockholder
0208010	Donat Recvd From Stkhld Tax
0211003	Misc Paid in Capital
0211006	Other Misc Paid in Cap
0216000	Unapprop Retained Earnings
0216100	Unappr Undistr Subsid Earnings
0216150	Equity IC AR Rollup
0223306	Intercompany Notes Payable LT
0224332	\$30M 3.35 DEK 09/15/2029
0224333	\$30M 4.11 DEK 09/15/2047
0224334	\$30M 4.26 DEK 09/15/2057
0224335	100M 4 65 DEK DEBS 10/1/19
0224336	45M 3 42 DEK 01/15/2026
0224337	50M 4 45 DEK 01/15/2046
0224840	ULHP 65M 6 2 3/10/2036
0224843	ULHP PCB 06B
0224869	ULHP PCB 06A
0226021	Unamort Discount-Curr
0226335	UNamDis 4 65 DEK Deb 10/1/19
0226840	ULHP 65M 6 2 3/10/2036
0227101	LT Capital Lease Obligation
0227102	Noncurrent Capital Lease-Meter
0228280	Schm Environmental
0228315	Schm Opeb (Fas106)
0228325	Schm Post Emp FAS 112
0228346	Pension Liability - FAS 87
0228348	Pension Liab - FAS 87(Cinergy)
0228440	Reserve - MGP Sites FERC 228
0229010	Accm Prv-Rate Refnd-Tax Ref
0230105	ARO Liability - Current

0230315	ARO Liability - Coal Ash
0230951	ARO sch M
0232000	A/P Vendors Payable
0232002	A/P - Misc - Gen - Acctg
0232004	Vision Deduction
0232005	Long Term Disability Deduction
0232016	AP PS8.9 Vendors Payable
0232039	Payable 401K Incentive Match
0232045	Supplemental Life Deductions
0232048	Supplemental AD&D Deduction
0232049	Medical & HSA Deductions
0232052	Medical Spending Acct Deduct
0232053	Dependent Spending Acct Deduct
0232061	A/P - Chase Syracuse
0232067	Dental Deductions
0232101	EAP 10 customer charge
0232109	A/P BPM - Actual
0232120	Vouchers Payable - Special
0232140	Customer Refunds Payable
0232152	A/P Purchased Gas
0232163	Emission Allowance A/P
0232170	Accounts Payable - Coal
0232175	Limestone and Freight Payable
0232176	Reagent Payable
0232180	Accounts Payable - Oil Stocks
0232181	Natural Gas Payable
0232345	MISO MTEP - Short Term Accrual
0232361	A/P Fuelfunds - Customer Donations
0232892	A/P Miscellaneous
0232996	Capital - Accruals
0232999	A/P BPM - Estimate
0233150	IC Moneypool - ST Notes Pay
0234000	IC Moneypool - ST Interest Pay
0234250	IC Netting - Accts Payable
0235140	Special Customer Deposits
0236001	State It Payable Other
0236041	Accrued Property Tax
0236150	St/Local Unemployment Tax Liab
0236700	Employer FICA Tax Liab
0236750	Federal Unemployment Tax Liab
0236906	Use Tax Payable
0236942	State Inc Tax Payable - Prior Yrs LT
0236965	Accrued SIT - Prior Year
0236981	Fed Inc Tax Payable - Prev Yr
0236986	LT Liability Fed - KTRA
0236990	Fed Inc Tax Payable - Current

0236993	LT Liability Fed - UTP
0237110	Bonds Interest Payable
0237221	Int Accrued on MW Dep
0241110	State Income Tax Wh - Employee
0241150	Federal Income Tax Wh - Employee
0241160	FICA Withheld - Employee
0241311	County School Taxes Payable
0241320	Utility Sales Tax
0241335	Local Taxes Withheld
0241348	Franchise Fees Payable
0242033	Wages Payable - Accrual
0242110	Contract Retentions
0242152	Solar Interconnect Deposits
0242381	Retirement Bank Accrual
0242460	Prov For Incentive Ben Prog
0242461	Prior Year Incentive Accrual
0242490	Vacation Carryover
0242650	Accrued Payable - Other
0242660	Collection - Contr Stk Pur 401 - K
0242890	Deferred Rev Pay - Fuel
0242895	Native Deferred MTM Liability
0242897	NC Pension Liability - FAS 87
0242981	Ratepayer Sharing Provisions
0242998	Misc Liab - FAS 106
0242999	Misc Liab - FAS 112
0243050	2156_CLTD_CAP_LEASE
0243105	Current Portion of Cap Lease Obligation
0244001	Deriv Liab - Noncashflw - S - T
0244005	Derivative Instr-Regulatory-ST
0244006	Derivative Instr-Regulatory-LT
0244007	Accrued Interest Exp-Swaps-Reg
0252050	Gas Contributions Post 1992
0253062	Long Term Def Rev - OL
0253070	Reserves - Mgp Sites FERC 228
0253130	Gas Refunds/Recl Adj Due Cust
0253208	NonCurr Liab Pwr Trdg Pur Acct
0253345	MISO MTEP - Long Term Accrual
0253630	Schm Exec Cash Bal Plan
0253690	Pension Deferred Credits
0254036	Reg Liab - Excess Fed ADIT
0254038	Excess ADIT Grossup LT
0254039	Reg Liab - Excess Fed ADIT ST
0254040	Excess ADIT Grossup ST
0254100	Regulatory Liability - Inc Tax
0254101	Deferred Regulatory Liability
0254150	Reg Liab - NC Tax Rate Change

0254210	Reg Liability Emission Swaps
0254220	Reg Liab Em Swp GAAP Int Asset
0254689	Reg Liability - OPEB
0254988	Current Regulatory Liabilities
0255000	Accum Def Inv Tax Credits
0281200	Deferred Federal Income Tax
0281201	Deferred State Income Tax
0282100	Adit: PpandE: Federal Taxes
0282101	Adit: PpandE: State Taxes
0283100	Adit: Other: Federal Taxes
0283101	Adit: Other: State Taxes
0403002	Depr - Expense
0403150	Depreciation Expense ARO
0404200	Amort of Elec Plt - Software
0407305	Regulatory Debits
0407354	DSM Deferral - Electric
0407355	DSM Deferral - Gas
0407407	Carrying Charges
0408040	NC Property Tx - Misc NonUtility
0408050	Municipal License-Electric
0408121	Taxes Property - Operating
0408150	State Unemployment Tax
0408151	Federal Unemployment Tax
0408152	Employer FICA Tax
0408205	Highway Use Tax
0408470	Franchise Tax
0408700	Fed Social Security Tax - Elec
0408800	Federal Highway Use Tax - Elec
0408820	Misc NonUtility Tax
0408851	Sales and Use Tax Exp
0408960	Allocated Payroll Taxes
0409102	SIT Exp - Utility
0409190	Federal Income Tax - Electric CY
0409202	State Income Tax NonUtility
0409220	Federal Income Tax - NonUtility CY
0410100	Dfit: Utility: Current Year
0410102	Dsit: Utility: Current Year
0410240	Dfit: Non - Utility: Curr Year
0410242	Dsit: Non - Utility: Curr Year
0411050	Accretion Expense ARO
0411100	Dfit: Utility: Curr Year Cr
0411101	Dsit: Utility: Curr Year Cr
0411115	DFIT: Federal Excess DIT Amort
0411240	Dfit: Non - Utility: Curr Yr Cr
0411242	Dsit: Non - Utility: Curr Yr Cr
0411410	Invest Tax Credit Adj - Electric

0415100	Other Misc Gas Rev
0415530	Marketing Service Revenue
0416330	Miscellaneous Expense
0417000	Misc Revenue
0417007	Misc Revenue-Reg
0417107	Administrative Expenses
0417310	Products and Svcs - NonReg
0417320	Exp - Unreg Products and Svcs
0419110	AFUDC Equity Component
0419240	Miscellaneous Interest
0419429	IC Moneypool - Interest Inc
0419891	IC Int Income VIE
0421200	Loss on Disposal of Property
0421315	Return on Equity - Coal Ash Sp
0421940	Misc Income
0426100	Donations
0426200	Life Insurance Expense
0426300	Penalties
0426400	Exp/Civic and Political Activity
0426509	Loss on Sale of A/R
0426510	Other
0426512	Donations
0426540	Employee Service Club Dues
0426591	I/C - Loss on Sale of A/R
0426891	IC Sale of AR Fees VIE
0427220	Interest on L - T Note Payable
0428021	Amort of Deferred Debt Exp
0428025	Amortization of Debt Discount
0428100	Amort of Debt Discount and Exp
0428165	Amort on Loss of Reaquired Debt
0430216	IC Moneypool - LT Interest Exp
0431000	Int Exp - Taxes
0431002	Int Exp - Other
0431003	Other Interest - Swaps
0431020	Interest Exp-Cust Service Dep
0431130	Interest Exp - Capital Lease
0431315	Coal Ash Spend - Debt Return
0431400	Int/Other Notes and Acct Pay
0431550	Interest Exp-Assign From Svc
0431710	Int Exp on Revenue Refunds
0431900	Interest Expense Other
0432000	AFUDC Debt Component
0440000	Residential
0440990	Residential Unbilled Rev
0442100	General Service
0442190	General Service Unbilled Rev

0442200	Industrial Service
0442290	Industrial Svc Unbilled Rev
0444000	Public St and Highway Lighting
0445000	Other Sales To Public Auth
0445090	OPA Unbilled
0447150	Sales For Resale - Outside
0448000	Interdepartmental Sales - Elec
0449100	Provisions For Rate Refunds
0449111	Tax Reform - Residential
0451100	Misc Service Revenue
0454200	Pole and Line Attachments
0454300	Tower Lease Revenues
0454400	Other Electric Rents
0456025	RSG Rev - MISO Make Whole
0456040	Sales Use Tax Coll Fee
0456075	Data Processing Service
0456110	Transmission Charge Ptp
0456111	Other Transmission Revenues
0456970	Wheel Transmission Rev - ED
0457105	Scheduling & Dispatch Revenues
0457204	PJM Reactive Rev
0457700	Allocated Employee Bnfts Offset
0480000	Residential Sales-Gas
0480990	Gas Residential Sales-Unbilled
0481000	Industrial Sales-Gas
0481090	Gas Industrial Sales Unbilled
0481200	Gas Commercial Sales
0481290	Gas Commercial Sales Unbilled
0482000	Other Sales To Public Auth-Gas
0482090	Gas OPA Unbilled
0482200	Gas Public St Hwy Ltng
0484000	Interdepartmental Sales
0488000	Misc Service Revenue-Gas
0488100	IC Misc Svc Reg Gas Reg
0489000	Transp Gas of Others
0489010	IC Gas Transp Rev Reg
0489020	Comm Gas Transp Only
0489025	Comm Gas Transp Unbilled
0489030	Indust Gas Transp Only
0489035	Indust Gas Transp Unbilled
0489040	OPA Gas Transp Only
0489045	OPA Gas Transp Unbilled
0489200	Transportation Fees
0495031	Gas Losses Damaged Lines
0496020	Provision for rate refund - Ta
0500000	Suprvsn and Engrg - Steam Oper

0501110	Coal Consumed - Fossil Steam
0501150	Coal Handling
0501160	Coal Sampling and Testing
0501190	Sale of Fly Ash - Expenses
0501310	Oil Consumed - Fossil Steam
0502040	Cost of Lime
0502100	Fossil Steam Exp - Other
0505000	Electric Expenses - Steam Oper
0506000	Misc Fossil Power Expenses
0509030	SO2 Emission Expense
0509212	Annual NOx Emission Expense
0510000	Suprvsn and Engrng - Steam Maint
0510100	Suprvsn and Engrng-Steam Maint - Rec
0511000	Maint of Structures - Steam
0512100	Maint of Boiler Plant - Other
0513100	Maint of Electric Plant - Other
0514000	Maintenance - Misc Steam Plant
0514300	Maintenance - Misc Steam Plant
0524000	Misc Expenses - Nuc Oper
0546000	Suprvsn and Enginring - Ct Oper
0547100	Natural Gas
0547150	Natural Gas Handling - Ct
0547701	Propane Gas
0548100	Generation Expenses - Other Ct
0548200	Prime Movers - Generators - Ct
0549000	Misc - Power Generation Expenses
0551000	Suprvsn and Enginring - Ct Maint
0552000	Maintenance of Structures - Ct
0553000	Maint - Gentg and Elect Equip - Ct
0553100	CT Maint of Gen and Plant-Recoverable
0554000	Misc Power Generation Plant - Ct
0555028	Purch Pwr - Non-native - net
0555202	Purch Power-Fuel Clause
0556000	System Cnts & Load Dispatching
0557000	Other Expenses - Oper
0557450	Commissions/Brokerage Expense
0557980	Retail Deferred Fuel Expenses
0560000	Supervsn and Engrng - Trans Oper
0561100	Load Dispatch - Reliability
0561200	Load Dispatch - MnitorandOprtrnsys
0561300	Load Dispatch - TranssvchandSch
0561400	Scheduling - Sys CntrlandDisp Svs
0561800	Reliability Planning and Stds Dev
0562000	Station Expenses
0563000	Overhead Line Expenses - Trans
0565000	Transm of Elec By Others

0566000	Misc Trans Exp - Other
0566100	Misc Trans - Trans Lines Related
0569000	Maint of Structures - Trans
0569100	Maint of Computer Hardware
0569200	Maint of Computer Software
0570100	Maint Stat Equip - Other_Trans
0570200	Main - Cir Brkrs Trnsf Mtrs - Trans
0571000	Maint of Overhead Lines - Trans
0573000	Maint of Misc Transm Plant
0575700	Market Faciliation - MntrandComp
0580000	Supervsn and Engrng - Dist Oper
0581004	Load Dispatch-Dist of Elec
0582100	Station Expenses - Other - Dist
0583100	Overhead Line Exps - Other Dist
0583200	Transf Set Rem Reset Test - Dist
0584000	Underground Line Expenses - Dist
0586000	Meter Expenses - Dist
0587000	Cust Install Exp - Other Dist
0588100	Misc Distribution Exp - Other
0589000	Rents - Dist Oper
0590000	Supervsn and Engrng - Dist Maint
0591000	Maintenance of Structures - Dist
0592100	Maint Station Equip - Other - Dist
0592200	Cir Brkrs Trnsf Mters Rely - Dist
0593000	Maint Overhd Lines - Other - Dist
0593100	Right - Of - Way Maintenance - Dist
0594000	Maint - Underground Lines - Dist
0595100	Maint Lines Transfrs - Other - Dist
0596000	Maint - Streetlightng/Signl - Dist
0597000	Maintenance of Meters - Dist
0598100	Main Misc Dist Plt - Other - Dist
0711000	Gas Boiler Labor
0712000	Gas Production - Other Power Ex
0717000	Liq Petro Gas Exp - Vapor Proc
0728000	Liquid Petroleum Gas
0735000	Gas Misc Production Exp
0742000	Maint Gas Production Expense
0800101	Gas Purchases Estimate
0801000	Purchases Gas and Ngl
0801001	Purchases Gas and Ngl - Aff
0803290	Miscellaneous Expense
0804110	Unproductive Time Distributed
0804210	Vacations
0804220	Holidays
0804290	Other Excused Absences
0804330	Sick

0805002	Unrecovered Purchase Gas Adj
0805003	Purchase Gas Cost Unbilled Rev
0807000	Gas Purchased Expenses
0807100	I/C Gas Purchased Expenses
0813001	Other Gas Supply Expenses
0820000	Fabricated Equipment
0850001	Operation Supv and Eng - Tran
0852000	Communication System Expenses
0871000	Distribution Load Dispatching
0874000	Mains and Services
0875000	Measuring and Reg Stations - Ge
0876000	Measuring and Reg Station - Indus
0878000	Meter and House Regulator - Expense
0879000	Customer Installation Expense
0880000	Gas Distribution - Other Expense
0887000	Maintenance of Mains
0889000	Maint - Meas/Reg Stn Equip - Gas
0892000	Maintenance of Services
0893000	Maint - Meters and House Regu
0894000	Maint - Other Distribution Equi
0901000	Supervision - Cust Accts
0902000	Meter Reading Expense
0903000	Cust Records and Collection Exp
0903100	Cust Contracts and Orders - Local
0903200	Cust Billing and Acct
0903300	Cust Collecting - Local
0903400	Cust Receiv and Collect Exp - Edp
0903891	IC Collection Agent Revenue
0904001	Bad Debt Expense
0905000	Misc Customer Accts Expenses
0908000	Cust Asst Exp-Conservation Programs - Rec
0908150	Commer/Indust Assistance Exp
0908160	Cust Assist Exp - General
0909650	Misc Advertising Expenses
0910000	Misc Cust Serv/Inform Exp
0910100	Exp - Rs Reg Prod/Svces - Cstaccts
0911000	Supervision
0912000	Demonstrating and Selling Exp
0913001	Advertising Expense
0920000	A and G Salaries
0920100	Salaries & Wages - Proj Supt - NCRC Rec
0920300	Project Development Labor
0921100	Employee Expenses
0921101	Employee Exp - NC
0921110	Relocation Expenses
0921200	Office Expenses

0921300	Telephone and Telegraph Exp
0921400	Computer Services Expenses
0921540	Computer Rent (Go Only)
0921600	Other
0921980	Office Supplies and Expenses
0923000	Outside Services Employed
0923980	Outside Services Employee and
0924000	Property Insurance
0924050	Intercompany Property Insurance Exp
0924980	Property Insurance For Corp.
0925000	Injuries and Damages
0925051	Intercompany Gen Liab Expense
0925200	Injuries and Damages - Other
0925300	Environmental Inj and Damages
0925980	Injuries and Damages For Corp.
0926000	Empl Pensions and Benefits
0926430	Employees'Recreation Expense
0926600	Employee Benefits - Transferred
0926999	Non Service Cost (ASU 2017-07)
0928006	State Reg Comm Proceeding
0928053	Travel Expense
0929000	Duplicate Chrgs - Enrgy To Exp
0929500	Admin Exp Transf
0930150	Miscellaneous Advertising Exp
0930200	Misc General Expenses
0930210	Industry Association Dues
0930220	Exp of Servicing Securities
0930230	Dues To Various Organizations
0930240	Director'S Expenses
0930250	Buy\Sell Transf Employee Homes
0930600	Leased Circuit Charges - Other
0930700	Research and Development
0930940	General Expenses
0931001	Rents - AandG
0931008	A and G Rents IC
0932000	Maintenance of General Plant
0935100	Maint General Plant-Elec
0935200	Cust Infor and Computer Control
0999998	Allocations Suspense
1231005	Investment in Sub - Equity
1231015	Current Year Earnings of Sub - Loaded
1231055	Investment in IC AR Cash Rollup
2161500	IC AR Rollup
2531006	Defr Cr - A/R A/P Elim Diff
4181107	Earnings of Sub

**DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(n)**

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

Description of Filing Requirement:

The latest twelve (12) months of the monthly management reports providing financial results of operations in comparison to the forecast.

Response:

See attached and also see response to Filing Requirement 16(7)(o).

Sponsoring Witness: Michael Covington

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	July 2017 Budget	July 2017 Actuals	Variance Inc. / (Dec.)	Percent Change Inc. / (Dec.)
Operating Income				
Operating Revenues	3,957,226	3,692,001	265,225	7 %
Operating Expenses	4,474,228	4,123,964	350,264	8 %
Operating Income	(517,002)	(431,963)	(85,039)	20 %
Other Income and Expenses	2,024	(49,929)	51,953	(104) %
Interest Expense	477,212	322,416	154,796	48 %
Earnings From Continuing Operations Before Income Taxes	(992,190)	(804,308)	(187,882)	23 %
Income Tax Expense (Benefit) From Continuing Operations	(378,623)	(303,850)	(74,773)	25 %
Income From Continuing Operations Attributable to Duke Energy Corp	(613,567)	(500,458)	(113,110)	23 %
Income (Loss) From Continuing Operations	(613,567)	(500,458)	(113,110)	23 %
Net Inc Bfr Ext and Chg in Acct. Prin.	(613,567)	(500,458)	(113,110)	23 %
Consolidated Net Income	(613,567)	(500,458)	(113,110)	23 %
Net Income Attributable to Controlling Interest	(613,567)	(500,458)	(113,110)	23 %

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	August 2017	August 2017	Variance Inc / (Dec)	Percent Change Inc / (Dec)
	Actuals	Budget		
Operating Income				
Operating Revenues	3,451,001	4,047,764	(596,762)	(15) %
Operating Expenses	3,736,498	4,614,186	(877,688)	(19) %
Operating Income	(285,497)	(566,423)	280,925	(50) %
Other Income and Expenses	76,803	2,709	74,094	2,735 %
Interest Expense	327,595	461,684	(134,089)	(29) %
Earnings From Continuing Operations Before Income Taxes	(536,289)	(1,025,397)	489,108	(48) %
Income Tax Expense (Benefit) From Continuing Operations	(289,842)	(393,304)	103,462	(26) %
Income From Continuing Operations Attributable to Duke Energy Corp	(246,448)	(632,094)	385,646	(61) %
Income (Loss) From Continuing Operations	(246,448)	(632,094)	385,646	(61) %
Net Inc Bfr Ext and Chg in Acct. Prin.	(246,448)	(632,094)	385,646	(61) %
Consolidated Net Income	(246,448)	(632,094)	385,646	(61) %
Net Income Attributable to Controlling Interest	(246,448)	(632,094)	385,646	(61) %

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	September	September	Variance Inc. / (Dec.)	Percent Change Inc. / (Dec.)
	2017	2017		
	Actuals	Budget		
Operating Income				
Operating Revenues	3,909,758	4,139,485	(229,727)	(6) %
Operating Expenses	4,496,314	4,361,259	135,055	3 %
Operating Income	(586,556)	(221,774)	(364,782)	164 %
Other Income and Expenses	281,988	(1,325)	283,314	(21,382) %
Interest Expense	386,797	481,842	(95,046)	(20) %
Earnings From Continuing Operations Before Income Taxes	(691,364)	(704,941)	13,577	(2) %
Income Tax Expense (Benefit) From Continuing Operations	(454,704)	(270,026)	(184,678)	68 %
Income From Continuing Operations Attributable to Duke Energy Corp	(236,660)	(434,915)	198,255	(46) %
Income (Loss) From Continuing Operations	(236,660)	(434,915)	198,255	(46) %
Net Inc Bfr Ext and Chg in Acct. Prin.	(236,660)	(434,915)	198,255	(46) %
Consolidated Net Income	(236,660)	(434,915)	198,255	(46) %
Net Income Attributable to Controlling Interest	(236,660)	(434,915)	198,255	(46) %

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	October 2017	October 2017	Variance (Act. / (Bgt.))	Percent Change (Act. / (Bgt.))
	Actuals	Budget		
Operating Income				
Operating Revenues	5,299,046	6,487,290	(1,188,244)	(18) %
Operating Expenses	4,764,648	5,995,410	(1,230,762)	(21) %
Operating Income	534,398	491,880	42,518	9 %
Other Income and Expenses	(140,432)	(2,190)	(138,242)	6,312 %
Interest Expense	408,055	475,610	(67,555)	(14) %
Earnings From Continuing Operations Before Income Taxes	(14,089)	14,080	(28,169)	(200) %
Income Tax Expense (Benefit) From Continuing Operations	(32,738)	6,825	(39,564)	(580) %
Income From Continuing Operations Attributable to Duke Energy Corp	18,649	7,255	11,395	157 %
Income (Loss) From Continuing Operations	18,649	7,255	11,395	157 %
Net Inc Bfr Ext and Chg in Acct. Prin.	18,649	7,255	11,395	157 %
Consolidated Net Income	18,649	7,255	11,395	157 %
Net Income Attributable to Controlling Interest	18,649	7,255	11,395	157 %

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	November	November	Variance Inc / (Dec)	Percent Change Inc / (Dec)
	2017	2017		
	Actuals	Budget		
Operating Income				
Operating Revenues	9,855,565	10,353,469	(497,904)	(5) %
Operating Expenses	6,937,280	8,561,663	(1,624,383)	(19) %
Operating Income	2,918,285	1,791,806	1,126,479	63 %
Other Income and Expenses	104,560	5,057	99,503	1,968 %
Interest Expense	395,698	459,145	(63,447)	(14) %
Earnings From Continuing Operations Before Income Taxes	2,627,146	1,337,717	1,289,429	96 %
Income Tax Expense (Benefit) From Continuing Operations	(891,001)	513,337	(1,404,338)	(274) %
Income From Continuing Operations Attributable to Duke Energy Corp	3,518,147	824,380	2,693,767	327 %
Income (Loss) From Continuing Operations	3,518,147	824,380	2,693,767	327 %
Net Inc Bfr Ext and Chg in Acct. Prin.	3,518,147	824,380	2,693,767	327 %
Consolidated Net Income	3,518,147	824,380	2,693,767	327 %
Net Income Attributable to Controlling Interest	3,518,147	824,380	2,693,767	327 %

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	December	December	Variance Inc. / (Dec.)	Percent Change Inc. / (Dec.)
	2017	2017		
	Actuals	Budget		
Operating Income				
Operating Revenues	15,312,008	15,299,686	12,323	0 %
Operating Expenses	11,564,405	11,891,191	(326,786)	(3) %
Operating Income	3,747,603	3,408,495	339,109	10 %
Other Income and Expenses	573,491	1,863	571,628	30,680 %
Interest Expense	393,814	478,360	(84,546)	(18) %
Earnings From Continuing Operations Before Income Taxes	3,927,281	2,931,998	995,283	34 %
Income Tax Expense (Benefit) From Continuing Operations	3,255,209	1,126,887	2,128,322	189 %
Income From Continuing Operations Attributable to Duke Energy Corp	672,071	1,805,111	(1,133,040)	(63) %
Income (Loss) From Continuing Operations	672,071	1,805,111	(1,133,040)	(63) %
Net Inc Bfr Ext and Chg in Acct. Prin.	672,071	1,805,111	(1,133,040)	(63) %
Consolidated Net Income	672,071	1,805,111	(1,133,040)	(63) %
Net Income Attributable to Controlling Interest	672,071	1,805,111	(1,133,040)	(63) %

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	January 2018 Actuals	January 2018 Budget	Variance Inc. / (Dec.)	Percent Change Inc. / (Dec.)
Operating Income				
Operating Revenues	17,621,108	17,805,723	(184,615)	(1) %
Operating Expenses	12,201,084	12,523,558	(322,474)	(3) %
Operating Income	5,420,024	5,282,165	137,859	3 %
Other Income and Expenses	132,289	112,680	19,609	17 %
Interest Expense	397,881	442,225	(44,343)	(10) %
Earnings From Continuing Operations Before Income Taxes	5,154,432	4,952,620	201,812	4 %
Income Tax Expense (Benefit) From Continuing Operations	-	1,236,667	(1,236,667)	(100) %
Income From Continuing Operations Attributable to Duke Energy Corp	5,154,432	3,715,953	1,438,479	39 %
Income (Loss) From Continuing Operations	5,154,432	3,715,953	1,438,479	39 %
Net Inc Bfr Ext and Chg in Acct. Prin.	5,154,432	3,715,953	1,438,479	39 %
Consolidated Net Income	5,154,432	3,715,953	1,438,479	39 %
Net Income Attributable to Controlling Interest	5,154,432	3,715,953	1,438,479	39 %

	February	February	Variance Inc / (Dec)	Percent Change Inc / (Dec)
	2018	2018		
	Actuals	Budget		
Operating Income				
Operating Revenues	13,567,750	14,768,582	(1,200,832)	(8) %
Operating Expenses	9,569,582	10,152,173	(582,591)	(6) %
Other Operating Gains and Losses	(1,187)	-	(1,187)	-
Operating Income	3,996,981	4,616,409	(619,428)	(13) %
Other Income and Expenses	206,755	125,266	81,489	65 %
Interest Expense	384,592	438,005	(53,413)	(12) %
Earnings From Continuing Operations Before Income Taxes	3,819,144	4,303,670	(484,526)	(11) %
Income Tax Expense (Benefit) From Continuing Operations	2,192,675	1,070,317	1,122,358	105 %
Income From Continuing Operations Attributable to Duke Energy Corp	1,626,469	3,233,353	(1,606,884)	(50) %
Income (Loss) From Continuing Operations	1,626,469	3,233,353	(1,606,884)	(50) %
Net Inc Bfr Ext and Chg in Acct. Prin.	1,626,469	3,233,353	(1,606,884)	(50) %
Consolidated Net Income	1,626,469	3,233,353	(1,606,884)	(50) %
Net Income Attributable to Controlling Interest	1,626,469	3,233,353	(1,606,884)	(50) %

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	March 2018	March 2018	Variance Inc. / (Dec.)	Percent Change Inc. / (Dec.)
	Actuals	Budget		
Operating Income				
Operating Revenues	11,733,679	10,287,594	1,446,085	14 %
Operating Expenses	8,494,586	7,382,993	1,111,593	15 %
Operating Income	3,239,093	2,904,601	334,492	12 %
Other Income and Expenses	179,794	101,391	78,403	77 %
Interest Expense	392,492	453,722	(61,230)	(13) %
Earnings From Continuing Operations Before Income Taxes	3,026,394	2,552,269	474,125	19 %
Income Tax Expense (Benefit) From Continuing Operations	723,666	630,244	93,422	15 %
Income From Continuing Operations Attributable to Duke Energy Corp	2,302,728	1,922,025	380,703	20 %
Income (Loss) From Continuing Operations	2,302,728	1,922,025	380,703	20 %
Net Inc Bfr Ext and Chg in Acct. Prin.	2,302,728	1,922,025	380,703	20 %
Consolidated Net Income	2,302,728	1,922,025	380,703	20 %
Net Income Attributable to Controlling Interest	2,302,728	1,922,025	380,703	20 %

	April 2018	April 2018	Variance Inc / (Dec)	Percent Change Inc / (Dec)
	Actuals	Budget		
Operating Income				
Operating Revenues	8,956,882	4,604,623	4,352,258	95 %
Operating Expenses	6,932,455	4,087,142	2,845,313	70 %
Operating Income	2,024,427	517,482	1,506,945	291 %
Other Income and Expenses	194,225	79,441	114,784	144 %
Interest Expense	407,595	459,539	(51,945)	(11) %
Earnings From Continuing Operations Before Income Taxes	1,811,056	137,383	1,673,673	1,218 %
Income Tax Expense (Benefit) From Continuing Operations	265,501	20,451	245,050	1,198 %
Income From Continuing Operations Attributable to Duke Energy Corp	1,545,555	116,932	1,428,623	1,222 %
Income (Loss) From Continuing Operations	1,545,555	116,932	1,428,623	1,222 %
Net Inc Bfr Ext and Chg in Acct. Prin.	1,545,555	116,932	1,428,623	1,222 %
Consolidated Net Income	1,545,555	116,932	1,428,623	1,222 %
Net Income Attributable to Controlling Interest	1,545,555	116,932	1,428,623	1,222 %

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	May 2018	May 2018	Variance Inc / (Dec)	Percent Change Inc / (Dec)
	Actuals	Budget		
Operating Income				
Operating Revenues	3,650,756	4,250,914	(600,158)	(14) %
Operating Expenses	4,010,571	4,627,302	(616,731)	(13) %
Operating Income	(359,815)	(376,387)	16,572	(4) %
Other Income and Expenses	109,455	86,548	22,907	26 %
Interest Expense	443,474	443,181	294	0 %
Earnings From Continuing Operations Before Income Taxes	(693,834)	(733,020)	39,186	(5) %
Income Tax Expense (Benefit) From Continuing Operations	(79,794)	(203,007)	123,214	(61) %
Income From Continuing Operations Attributable to Duke Energy Corp	(614,041)	(530,013)	(84,028)	16 %
Income (Loss) From Continuing Operations	(614,041)	(530,013)	(84,028)	16 %
Net Inc Bfr Ext and Chg in Acct. Prin.	(614,041)	(530,013)	(84,028)	16 %
Consolidated Net Income	(614,041)	(530,013)	(84,028)	16 %
Net Income Attributable to Controlling Interest	(614,041)	(530,013)	(84,028)	16 %

Duke Energy Segment Reporting

DE Kentucky Gas
Report used to Set User POV
Periodic

	June	June	Variance (Act. / (Dif.))	Percent Change (Act. / (Dif.))
	2018	2018		
	Budget	Actuals		
Operating Income				
Operating Revenues	4,157,116	3,474,670	682,446	20 %
Operating Expenses	4,864,745	3,845,643	1,019,102	27 %
Operating Income	(707,629)	(370,973)	(336,656)	91 %
Other Income and Expenses	76,741	91,016	(14,276)	(16) %
Interest Expense	458,530	457,121	1,409	0 %
Earnings From Continuing Operations Before Income Taxes	(1,089,418)	(737,078)	(352,340)	48 %
Income Tax Expense (Benefit) From Continuing Operations	(292,749)	(205,966)	(86,783)	42 %
Income From Continuing Operations Attributable to Duke Energy Corp	(796,669)	(531,112)	(265,557)	50 %
Income (Loss) From Continuing Operations	(796,669)	(531,112)	(265,557)	50 %
Net Inc Bfr Ext and Chg in Acct. Prin.	(796,669)	(531,112)	(265,557)	50 %
Consolidated Net Income	(796,669)	(531,112)	(265,557)	50 %
Net Income Attributable to Controlling Interest	(796,669)	(531,112)	(265,557)	50 %

DUKE ENERGY KENTUCKY
CASE NO. 2018-00261
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 16(7)(o)

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

Description of Filing Requirement:

Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available.

Response:

See attached for the following:

1. Monthly Confidential Duke Energy Kentucky Gas Operations Financial Results Summaries (FRS). Note that these reports were not prepared with narrative explanations until beginning in September 2017. Prior to that time, narrative explanations were only prepared on the FRS Statements at a combined Ohio and Kentucky level. However, narrative explanations have been prepared on the Company's Confidential Duke Energy Kentucky Gas Operations Regulated O&M and Capital Reports (ROCR) since December 2016 as explained below. Additionally, the Company did not prepare any FRS statements in the months of January 2017, July 2017, January 2018, and April 2018. The narrative explanations for January and April 2018 are included in the year-to-date explanations in the subsequent month's report. The Company will provide this data for upcoming months as it becomes available.

2. Monthly Confidential Duke Energy Kentucky Gas Operations ROCRs. These reports were not prepared for January 2017, July 2017, January 2018 and April 2018. The narrative explanations for those months are included in the year-to-date explanations in the subsequent month's report. The Company will provide this data for upcoming months as it becomes available.

All confidential information is being provided under seal pursuant to a Petition for Confidential Treatment that is being filed simultaneously with this Application.

Witness Responsible:

Robert H. "Beau" Pratt
Michael Covington

**CONFIDENTIAL PROPRIETARY TRADE
SECRET**

**FR 16(7)(o) Confidential Attachment
FRS Reports**

FILED UNDER SEAL

DUKE ENERGY KENTUCKY
CASE NO. 2017-00261
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.

Witness Responsible: Michael Covington

**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

October 3, 2016
Date of Report (Date of earliest event reported)

Duke Energy Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32853
(Commission
File Number)

20-2777218
(IRS Employer
Identification No.)

550 South Tryon Street, Charlotte, NC 28202-1803
(Address of principal executive offices)

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 2.01 Completion of Acquisition or Disposition of Assets.

On October 3, 2016, pursuant to the Agreement and Plan of Merger (the "**Merger Agreement**"), dated as of October 24, 2015, by and among Duke Energy Corporation ("**Duke Energy**"), Forest Subsidiary, Inc., a North Carolina corporation and a wholly-owned subsidiary of Duke Energy ("**Merger Sub**") and Piedmont Natural Gas Company, Inc. ("**Piedmont**"), Duke Energy, Merger Sub and Piedmont consummated the previously announced agreement to merge Merger Sub with and into Piedmont (the "**Merger**") on the terms and subject to the conditions set forth in the Merger Agreement, with Piedmont continuing as the surviving corporation in the Merger. As a result of the Merger, Piedmont became a wholly-owned subsidiary of Duke Energy.

Pursuant to the Merger Agreement, at the effective time of the Merger (the "**Effective Time**"), each share (a "**Share**") of common stock, no par value, of Piedmont ("**Piedmont Common Stock**") issued and outstanding immediately prior to the Effective Time (excluding shares that were held by Duke Energy, Merger Sub or their respective wholly-owned subsidiaries) was converted into the right to receive \$60.00 cash per Share, without interest (subject to any applicable withholding tax). Pursuant to the Merger Agreement, at the Effective Time, each outstanding retention stock unit award granted under Piedmont's equity incentive plans (a "**Piedmont RSU**") and each Piedmont RSU that would have resulted, pursuant to the terms of the applicable Piedmont RSU award agreement, from crediting to an award recipient's account the amount of cash dividends accrued, but not yet credited as of the Effective Time, in respect of each Share of Piedmont Common Stock subject to such Piedmont RSU would have been converted into a vested right to receive cash in an amount equal to \$60.00 cash per Share, without interest (subject to any applicable withholding tax). As of immediately prior to the Effective Time, there were no outstanding Piedmont RSU's. Each outstanding performance share award that was granted under Piedmont's equity incentive plans (a "**Piedmont Performance Share Award**") prior to the date of the Merger Agreement was converted into a vested right to receive cash in an amount equal to the number of Shares of Piedmont Common Stock subject to such Piedmont Performance Share Award (based on target performance), multiplied by \$60.00 cash per Share, without interest (subject to any applicable withholding tax), subject to proration consistent with Piedmont's past practice with respect to applicable retired Piedmont employees. Each outstanding Piedmont Performance Share Award that was granted after the date of the Merger Agreement ceased to represent an award that could be settled in Shares of Piedmont Common Stock, was assumed by Duke Energy and was converted into a Duke Energy restricted stock unit award (a "**Duke Energy RSU Award**"), with the number of Shares of Duke Energy common stock subject to such Duke Energy RSU Award being equal to the product (rounded down to the nearest whole number) of (i) 125% of the target number of Shares of Piedmont Common Stock subject to the Piedmont Performance Share Award immediately prior to the Effective Time, multiplied by (ii) a conversion ratio calculated by dividing the per Share Merger consideration of \$60.00 by the average of the volume weighted averages of the trading prices of Duke Energy common stock on the New York Stock Exchange on each of the five consecutive trading days ending on (and inclusive of) the trading day that is two trading days prior to the closing date of the Merger. The Duke Energy RSU Awards are subject to the same vesting schedule and payment terms and similar terms and conditions as applied to the Piedmont Performance Share Awards immediately prior to the Effective Time, except that the performance-based vesting conditions ceased to apply to the Duke Energy RSU

Awards and vesting is subject to the holder of the Duke Energy RSU Award remaining continuously employed by Duke Energy or its affiliates through the date on which the performance period applicable to the Piedmont Performance Share Awards immediately prior to the Effective Time would have ended. Duke Energy RSU Awards are subject to 100% accelerated vesting upon certain types of terminations of employment and prorated accelerated vesting upon retirement.

The foregoing description of the Merger and the Merger Agreement is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which was filed as Exhibit 2.1 to the Current Report on Form 8-K filed by Duke Energy with the United States Securities and Exchange Commission (the “SEC”) on October 26, 2015 and is incorporated by reference herein.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Pursuant to the Merger Agreement, Mr. Skains was appointed to the Board of Directors of Duke Energy (the “*Board*”), effective as of the Effective Time. Mr. Skains’ directorship will expire, along with Duke Energy’s other directors’ terms, at the next annual meeting of shareholders. The Board has appointed Mr. Skains to the Nuclear Oversight and Regulatory Policy and Operations Committees.

As a non-employee director of Duke Energy, Mr. Skains will receive a pro-rated payment of the cash and stock annual retainer, will receive meeting fees in accordance with Duke Energy’s Director Compensation Program, as set forth on Exhibit 10.55 of Duke Energy’s Form 10-K, filed with the SEC on February 25, 2016, and will be eligible to participate in Duke Energy’s Directors’ Savings Plan, which is described in the Annual Proxy Statement filed with the SEC on March 24, 2016. Mr. Skains is subject to Duke Energy’s Stock Ownership Guidelines, which require outside directors to own Duke Energy common stock (or common stock equivalents) with a value equal to at least five times the annual cash retainer (i.e., an ownership level of \$450,000) or retain 50% of their vested annual equity retainer until such minimum requirements are met.

The Board has determined that Mr. Skains meets the applicable independence requirements of the New York Stock Exchange. There have been no transactions and there are no currently proposed transactions, in which Duke Energy was or is a participant and in which Mr. Skains or any member of his immediate family has or will have any interest, that are required to be reported under Item 404(a) of Regulation S-K.

Item 7.01 Regulation FD Disclosure.

On October 3, 2016, Duke Energy and Piedmont issued a joint press release announcing the consummation of the Merger pursuant to the Merger Agreement. A copy of the joint press release is furnished as Exhibit 99.1 hereto.

The foregoing information in this Item 7.01 (including Exhibit 99.1 hereto) is being furnished under "Item 7.01 Regulation FD Disclosure." Such information (including Exhibit 99.1 hereto) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Exchange Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Joint Press Release, dated October 3, 2016

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.

Date: October 3, 2016

DUKE ENERGY CORPORATION

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

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Joint Press Release, dated October 3, 2016

Exhibit 99.1



Media Contact: Tom Williams
24-Hour: 800.559.3853

Oct. 3, 2016

Duke Energy completes acquisition of Piedmont Natural Gas

CHARLOTTE, N.C. — Duke Energy has completed its acquisition of Piedmont Natural Gas, closing the transaction effective today.

Piedmont will retain its name and operate as a business unit of Duke Energy. Both companies are headquartered in Charlotte.

The acquisition will add Piedmont's 1 million natural gas customers to Duke Energy's existing customer base of 525,000 natural gas customers and 7.4 million electric customers.

"Uniting Duke Energy with Piedmont Natural Gas is a powerful combination for our customers and the communities we serve," said Lynn Good, chairman, president and CEO of Duke Energy.

Customers can continue to do business with both Piedmont and Duke Energy in the same way they have in the past. For example, there will be no immediate changes in customer service phone numbers, billing options or service request procedures.

Internally, Duke Energy will be working to integrate Piedmont's corporate functions — such as accounting, human resources and information technology — into Duke Energy's structure.

The North Carolina Utilities Commission last week approved the acquisition — the final regulatory ruling needed to complete the transaction.

The Tennessee Regulatory Authority and Piedmont's shareholders previously approved the transaction, and the United States Federal Trade Commission has already granted early termination of the waiting period under the federal Hart-Scott-Rodino Antitrust Improvements Act.

[Click here](#) for more information on the North Carolina Utilities Commission's recent approval of Duke Energy's acquisition of Piedmont Natural Gas and its customer benefits.

[Click here](#) for a fact sheet about Piedmont Natural Gas.

Duke Energy Corporation | P.O. Box 1009 | Charlotte, NC 28201-1009 | www.duke-energy.com

Duke Energy News Release

2

About Duke Energy

Duke Energy, one of the largest electric power holding companies in the United States, supplies and delivers electricity to approximately 7.4 million customers in the Southeast and Midwest representing a population of approximately 24 million people. The company also distributes natural gas services to more than 1.5 million customers in the Carolinas, Ohio, Kentucky and Tennessee. Its commercial and international businesses operate diverse power generation assets in North America and Latin America, including a growing renewable energy portfolio. Headquartered in Charlotte, N.C., Duke Energy is an S&P 100 Stock Index company traded on the New York Stock Exchange under the symbol DUK.

Headquartered in Charlotte, N.C., Duke Energy is an S&P 100 Stock Index company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available at duke-energy.com.

The [Duke Energy News Center](#) serves as a multimedia resource for journalists and features news releases, helpful links, photos and videos. Hosted by Duke Energy, [illumination](#) is an online destination for stories about remarkable people, innovations, and community and environmental topics. It also offers glimpses into the past and insights into the future of energy.

Follow Duke Energy on [Twitter](#), [LinkedIn](#), [Instagram](#) and [Facebook](#).

###

**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 10, 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

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 October 10, 2016, certain indirect subsidiaries of Duke Energy Corporation (the "Corporation") entered into two separate purchase and sale agreements, pursuant to which the Corporation will divest its International Energy business, including all of its power generation facilities located in Argentina, Brazil, Chile, Ecuador, El Salvador, Guatemala and Peru (the "International Energy Divestment"). The International Energy Divestment includes:

- the sale of all of the Corporation's equity interests in Duke Energy International Brazil Holdings S.à r.l. (the "Brazil Subsidiary"), which includes 2,090 megawatts of owned hydroelectric generation capacity in Brazil (the "Brazilian Disposal Group"), to China Three Gorges (Luxembourg) Energy S.à r.l. ("CTG"), a subsidiary of China Three Gorges Corporation, pursuant to a Purchase and Sale Agreement, dated as of October 10, 2016 (the "Brazil PSA"); and
- the sale of all of the Corporation's equity interests in Duke Energy International Group S.à r.l., Duke Energy International España Holdings SL and Duke Energy International Investments No. 2 Ltd (collectively, the "Latin America Subsidiaries"), which includes 2,300 megawatts of hydroelectric and natural gas generation capacity, transmission infrastructure and natural gas processing facilities in Peru, Chile, Argentina, Guatemala, El Salvador and Ecuador (the "Latin American Disposal Group") to ISQ Eneriam Aggregator, L.P. and Enerlam (UK) Holdings Ltd. (collectively, "I Squared"), entities controlled by a consortium of investors led by I Squared Capital, pursuant to a Purchase and Sale Agreement, dated as of October 10, 2016 (the "Latin America PSA").

The Corporation's 25% equity interest in National Methanol Company, a Saudi Arabian regional producer of methanol and methyl tertiary butyl ether (MTBE), a gasoline additive, is not included in the transactions.

The sale of the Brazilian Disposal Group represents an enterprise value of approximately \$1.2 billion (including the assumption of debt) and is expected to close by early 2017.

The sale of the Latin American Disposal Group represents an enterprise value of approximately \$1.2 billion (including the assumption of debt) and is expected to close in the first half of 2017.

The Corporation expects the transactions will generate available cash proceeds of between \$1.7 billion and \$1.9 billion, excluding transaction costs. Existing favorable tax attributes will result in no immediate U.S. federal-level tax impacts.

The following descriptions of the Brazil PSA and the Latin America PSA are subject to and qualified in their entirety by reference to the full text of such agreements, copies of which are filed herewith as Exhibit 2.1 and Exhibit 2.2, respectively, and are incorporated herein by reference.

Brazil Purchase and Sale Agreement

Pursuant to the Brazil PSA, and subject to the terms and conditions thereof, CTG will purchase from Duke Energy International Group S.à r.l., an indirect subsidiary of the Corporation ("Duke Energy International"), 100% of the equity interests in the Brazil Subsidiary for approximately \$970 million. The purchase price is subject to certain adjustments, including an adjustment at closing based upon changes in working capital and indebtedness compared to targeted amounts and an adjustment at closing based upon the amount of the Corporation's reserves for certain litigation related to Brazilian transmission fee assessments.

The Brazil PSA includes customary representations, warranties and covenants by the parties, and the closing of the transactions contemplated thereby is subject to various closing conditions, including, among others, (i) the receipt of required regulatory approvals, (ii) the absence of any injunction or other orders preventing the consummation of the transactions and (iii) the completion of certain internal restructuring transactions by certain subsidiaries of the Corporation. The closing of the transactions contemplated by the Brazil PSA is not subject to any financing condition.

The Brazil PSA contains certain termination rights for both Duke Energy International and CTG and further provides that CTG may be required to pay a termination fee of approximately \$48.5 million to Duke Energy International upon termination of the Brazil PSA under certain specified circumstances (including the failure to receive certain regulatory approvals).

Simultaneously with the execution of the Brazil PSA, and in connection with the transactions contemplated thereby, the Corporation entered into a guaranty in favor of CTG, pursuant to which the Corporation has agreed to guarantee certain obligations of Duke Energy International under the Brazil PSA.

Latin America Purchase and Sale Agreement

Pursuant to the Latin America PSA, and subject to the terms and conditions thereof, I Squared will purchase from certain indirect subsidiaries of the Corporation (the "LA Sellers") 100% of the equity interests in the Latin America Subsidiaries for approximately \$890 million. The purchase price is subject to certain adjustments, including an adjustment at closing based upon changes in working capital and indebtedness compared to targeted amounts.

I Squared has agreed to deliver one or more irrevocable standby letters of credit having an aggregate undrawn face amount of \$89 million (collectively, the "Deposit Letter of Credit") during the week ending October 14, 2016. In the event of a termination of the Latin America PSA under certain circumstances (including a failure of I Squared to effect the closing within two business days of the date the closing is required to occur pursuant to the Latin America PSA), the LA Sellers will be entitled to draw on the Deposit Letter of Credit and retain the funds obtained thereby as a termination fee.

The Latin America PSA includes customary representations, warranties and covenants by the parties, and the closing of the transactions contemplated thereby is subject to various closing conditions, including, among others, (i) the absence of any injunction or other orders preventing the consummation of the transactions and (ii) the completion of certain internal restructuring transactions by certain subsidiaries of the Corporation. The closing of the transactions contemplated by the Latin America PSA is not subject to any financing condition.

Simultaneously with the execution of the Latin America PSA, and in connection with the transactions contemplated thereby, the Corporation entered into a guaranty in favor of I Squared, pursuant to which the Corporation has agreed to guarantee certain obligations of the LA Sellers under the Latin America PSA.

Item 2.05. Costs Associated with Exit or Disposal Activities.

To the extent required by Item 2.05 of Form 8-K, the disclosure set forth in Item 2.06 of this Current Report on Form 8-K is incorporated by reference into this Item 2.05.

Item 2.06. Material Impairments.

Based upon the transactions noted above, both of the Brazilian Disposal Group and Latin American Disposal Group (together, the "Disposal Groups") have met the accounting criteria to be classified as assets held for sale and discontinued operations beginning with the fourth quarter of 2016.

Despite classifying the Disposal Groups as discontinued operations under U.S. generally accepted accounting principles (GAAP), the financial results from the Disposal Groups will remain in the Corporation's adjusted earnings, adjusted diluted EPS and adjusted segment income, which are non-GAAP financial measures, until the close of the transactions.

As a result of these exit activities, the Corporation expects to recognize an estimated pre-tax impairment charge of approximately \$325-\$375 million in the fourth quarter of 2016 primarily related to the recognition of cumulative currency translation adjustment losses. This impairment charge will be classified in discontinued operations in the Corporation's Consolidated Statement of Operations and will be excluded from the Corporation's adjusted earnings, adjusted diluted EPS and adjusted segment income, which are non-GAAP financial measures.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

- 2.1 Purchase and Sale Agreement by and among Duke Energy International Group S.à.r.l., Duke Energy International Brazil Holdings S.à.r.l. and China Three Gorges (Luxembourg) Energy S.à.r.l., dated as of October 10, 2016.
- 2.2 Purchase and Sale Agreement by and among Duke Energy Brazil Holdings II, C.V., Duke Energy International Uruguay Investments SRL, Duke Energy International Group S.à.r.l., Duke Energy International España Holdings SL, Duke Energy International Investments No. 2 Ltd., ISQ Enerlam Aggregator, L.P. and Enerlam (UK) Holdings Ltd., dated as of October 10, 2016.

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 13, 2016

By: /s/ Julia S. Janson

Name: Julia S. Janson

Title: Executive Vice President, Chief Legal Officer and Corporate Secretary

EXHIBIT INDEX

Exhibit	Description
2.1	Purchase and Sale Agreement by and among Duke Energy International Group S.à.r.l., Duke Energy International Brazil Holdings S.à.r.l. and China Three Gorges (Luxembourg) Energy S.à.r.l., dated as of October 10, 2016 (Luxembourg) Energy S.à r.l.
2.2	Purchase and Sale Agreement by and among Duke Energy Brazil Holdings II, C.V., Duke Energy International Uruguay Investments SRL, Duke Energy International Group S.à r.l., Duke Energy International España Holdings SL, Duke Energy International Investments No. 2 Ltd., ISQ Enerlam Aggregator, L.P., and Enerlam (UK) Holdings Ltd., dated as of October 10, 2016.

Exhibit 2.1

PURCHASE AND SALE AGREEMENT

by and among

DUKE ENERGY INTERNATIONAL GROUP S.A.R.L.,

DUKE ENERGY INTERNATIONAL BRAZIL HOLDINGS S.A.R.L.

and

CHINA THREE GORGES (LUXEMBOURG) ENERGY S.A.R.L.

Dated as of October 10, 2016

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Exhibit B	Pre-Closing Restructuring Transactions
Exhibit C	Form of Resignation Letter
Exhibit D	Form of Seller Guaranty

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement"), dated as of October 10, 2016, is entered into by and among Duke Energy International Group S.a.r.l., a Luxembourg *société à responsabilité limitée*, having its registered office at 2-8, rue Charles de Gaulle, L- 1653 Luxembourg, registered with the Luxembourg register of commerce and companies under number B.200640 ("DEIG," including any Person who is assignee or successor of DEIG in connection with the Restructuring Transactions or otherwise, "Seller"), Duke Energy International Brazil Holdings S.a.r.l., a Luxembourg *société à responsabilité limitée*, having its registered office at 2-8, rue Charles de Gaulle, L- 1653 Luxembourg, registered with the Luxembourg register of commerce and companies under number B.200785 (the "Company") and China Three Gorges (Luxembourg) Energy S.a.r.l., a Luxembourg *société à responsabilité limitée*, having its registered office at 40, avenue Monterey, L- 2163 Luxembourg, registered with the Luxembourg register of commerce and companies under number B.180307 ("Purchaser"). Each of Seller, Purchaser and the Company is sometimes referred to individually herein as a "Party" and collectively as the "Parties." Certain other terms are defined throughout this Agreement and in Section 9.2.

WITNESSETH:

WHEREAS, Seller owns all of the Company Shares;

WHEREAS, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, all of the Company Shares, upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Company owns, directly or indirectly, the Equity Interests in the Company Subsidiaries set forth in Schedule 3.5(a) of the Seller Disclosure Schedules and the Equity Interests in the Project Companies set forth in Schedule 3.5(b) of the Seller Disclosure Schedules having operations in Brazil;

WHEREAS, prior to the Closing, Seller intends to effect the Restructuring Transactions, if any;

WHEREAS, Purchaser Guarantor, simultaneously with the execution and delivery of this Agreement, has agreed pursuant to a Guaranty, dated as of the date hereof, by Purchaser Guarantor in favor of Seller (the "Purchaser Guaranty") in the form attached hereto as Exhibit A to guarantee the obligations of Purchaser, a wholly owned Subsidiary of Purchaser Guarantor, under this Agreement; and

WHEREAS, Seller Guarantor, simultaneously with the execution and delivery of this Agreement, has delivered to Purchaser a Guaranty, dated as of the date hereof, by Seller Guarantor

in favor of Purchaser (the "Seller Guaranty") in the form attached hereto as Exhibit D to guarantee the obligations of Seller under this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and warranties made in this Agreement and of the mutual benefits to be derived therefrom, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties to this Agreement, intending to be legally bound, agree as follows:

Article I

SALE AND PURCHASE OF SHARES

1.1 Sale and Purchase of Shares. Upon the terms and subject to the conditions of this Agreement, at the Closing, Purchaser shall purchase and accept from Seller, and Seller shall sell and convey to Purchaser, the number of the Company Shares set forth opposite Seller's name in Schedule 1.1 of the Seller Disclosure Schedules, which constitute 100% of the outstanding Company Shares, free and clear of all Liens (the "Transaction").

1.2 Purchase Price. The consideration to be paid by Purchaser to Seller in respect of the purchase of the Company Shares shall be an amount in cash equal to the sum of (a) U.S. \$969,579,760 less the GSF Reserve Amount, and (b) the Estimated Adjustment Amount (together, the "Estimated Purchase Price"), subject to adjustment as determined pursuant to Section 1.6 (as adjusted, the "Purchase Price").

1.3 Closing. The closing of the Transaction (the "Closing") shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, at 10:00 a.m., New York time, as soon as practicable, but in any event not later than the fifth (5th) Business Day immediately following the date on which the last of the conditions contained in Article VI is fulfilled or waived (except for those conditions which by their nature can only be fulfilled at the Closing, but subject to the fulfillment or waiver of such conditions), or at such other place, time and date (the "Closing Date") as the Parties may agree. The Closing shall be deemed to have occurred for all purposes at 12:01 a.m. New York time on the Closing Date (the "Deemed Closing Time"). All actions listed in Section 1.4 that occur on the Closing Date shall be deemed to occur simultaneously at the Closing.

1.4 Closing Deliveries. At the Closing:

(a) Seller shall provide to Purchaser the original Company's shareholders register duly updated to evidence the transfer of the Company Shares to Purchaser or such other documentation as may be reasonably required under applicable Law to evidence the transfer of the Company Shares to Purchaser.

(b) Purchaser shall pay to Seller an amount in cash equal to the Estimated Purchase Price (such amount being subject to further adjustment pursuant to Section 1.6) for the Company Shares, by wire transfer of immediately available funds to the bank account or accounts which shall be designated by Seller at least ten (10) Business Days prior to the Closing.

(c) Except as required by applicable Law, Seller shall deliver to Purchaser the resignations or removals, in substantially the form attached hereto as Exhibit C, of the officers

and directors and other persons set forth in Schedule 1.4 of the Seller Disclosure Schedules from their position as officer or director, or other position set forth opposite the name of such officer, director or person set forth in Schedule 1.4 of the Seller Disclosure Schedules.

(d) Each Party shall deliver such other documents and instruments required to be delivered by it pursuant to Article VI.

1.5 Estimated Adjustment Amount. Not less than eight (8) Business Days prior to the expected Closing Date, Seller shall deliver to Purchaser a written statement (the "Estimated Adjustment Amount Statement") setting forth Seller's good faith calculation of the estimate of the Adjustment Amount as of the Deemed Closing Time (the "Estimated Adjustment Amount"), along with reasonable supporting documentation, which estimate shall be based on Seller's review of the financial information and other books and records of the Acquired Companies and shall be used in determining the payment of the Estimated Purchase Price referred to in Section 1.2.

1.6 Post-Closing Payment.

(a) As promptly as practicable, and in any event not later than ninety (90) days after the Closing Date, Purchaser shall prepare and deliver to Seller a written statement (the "Adjustment Amount Statement") setting forth in reasonable detail the Purchaser's calculation of the Adjustment Amount as of the Deemed Closing Time, as derived from the Purchaser's review of the financial information and other books and records of the Acquired Companies and, based thereon, a statement of the Purchaser's calculation of the Post-Closing Payment.

(b) Purchaser agrees to give Seller and its Representatives access to such employees, officers and facilities and such books and records (including the work papers of the Company's auditors, subject to Seller signing a customary agreement relating to access to such work papers in form and substance reasonably acceptable to such auditors) of Purchaser and the Acquired Companies during normal business hours, as is reasonably necessary to allow Seller and its Representatives to review the Adjustment Amount Statement.

(c) Seller may, in good faith, dispute the Adjustment Amount Statement by delivery of written notice thereof (a "Dispute Notice") to Purchaser within sixty (60) days following receipt by Seller of the Adjustment Amount Statement. The Dispute Notice shall set forth in reasonable detail all items disputed by Seller, together with Seller's proposed changes thereto, including an explanation in reasonable detail of the basis on which Seller proposes such changes. If (i) by written notice to Purchaser, Seller accepts the Adjustment Amount Statement or (ii) Seller fails to deliver a Dispute Notice within the prescribed sixty-day (60-day) period (which failure shall result in Seller being deemed to have agreed to the Adjustment Amount Statement delivered by Purchaser), the Adjustment Amount Statement delivered by Purchaser, and the Adjustment Amount

reflected therein, shall become final and binding on Seller and Purchaser as of the date on which the earlier of the foregoing events occurs.

(d) If Seller has timely delivered a Dispute Notice, then Purchaser and Seller shall use commercially reasonable efforts to reach agreement on the matters identified in the Dispute Notice. If, by the thirtieth (30th) day following Purchaser's receipt of the Dispute Notice, Purchaser and Seller have not agreed in writing to the resolution of any of the matters identified in the Dispute Notice, then such unresolved matters shall be submitted to the Independent Accountants for resolution. Purchaser and Seller shall instruct the Independent Accountants to prepare and deliver a revised Adjustment Amount Statement (including the calculation of the Post-Closing Payment) to Purchaser and Seller within thirty (30) days of the referral of such dispute to the Independent Accountants, taking into account all items not in dispute between Purchaser and Seller (to be included in the revised Adjustment Amount Statement in the amounts agreed by Purchaser and Seller) and those unresolved items requested by Purchaser and Seller to be resolved by the Independent Accountants. Purchaser and the Company shall furnish or cause to be furnished to the Independent Accountants access to such employees, officers, and facilities and such books and records (including the work papers of the Company's auditors, subject to Seller signing a customary agreement relating to access to such work papers in form and substance reasonably acceptable to such auditors) relating to the disputed items as the Independent Accountants may reasonably request. The fees and expenses of the Independent Accountants shall be borne fifty percent (50%) by Seller, on the one hand, and fifty percent (50%) by Purchaser, on the other hand. The revised Adjustment Amount Statement (including the calculation of the Adjustment Amount and the Post-Closing Payment reflected therein) delivered by the Independent Accountants shall be final and binding upon Purchaser and Seller; provided, however, that in no event shall (i) Purchaser be obligated to make any payment to Seller under Section 1.6(e) in excess of the amount that would have been payable using Purchaser's calculation of the Post-Closing Payment as set forth in the Adjustment Amount Statement delivered by Purchaser, but taking into account the changes proposed by Seller set forth in the Dispute Notice or (ii) Seller be obligated to make any payment to Purchaser under Section 1.6(e) in excess of the amount that would have been payable using Purchaser's calculation of the Post-Closing Payment as set forth in the Adjustment Amount Statement delivered by Purchaser. The Independent Accountants shall act as an expert, not as an arbitrator.

(e) If the Post-Closing Payment is a negative amount, then Purchaser shall pay to Seller an amount equal to the Post-Closing Payment. If the Post-Closing Payment is a positive amount, then Seller shall pay to Purchaser an amount equal to the Post-Closing Payment. Each payment (if any) required by this Section 1.6(e) shall be made within ten (10) Business Days following the date the Post-Closing Payment is deemed to be finally determined pursuant to this Section 1.6, except to the extent any payment in respect of undisputed amounts has been paid pursuant to Section 1.6(c). All payments required to be made pursuant to this Section 1.6 shall be

made by wire transfer of immediately available funds to the bank account or accounts designated by the Party receiving such payment.

(f) Purchaser and Seller agree to treat, and to cause their respective Affiliates to treat, for all Tax purposes, any payment made under this Section 1.6, to the maximum extent permitted by applicable Law, as an adjustment to the Purchase Price.

1.7 Pre-Closing Restructuring.

(a) Prior to the Closing, Seller shall take or cause to be taken the actions set forth on Exhibit B hereto substantially in the form described thereon (collectively, the “Restructuring Transactions”). Notwithstanding the foregoing, Seller shall not, or permit any of its Affiliates to, without the prior written consent of Purchaser, take any action to amend or modify the Restructuring Transactions set forth on Exhibit B hereto in any material respect.

(b) Purchaser acknowledges that, prior to the Closing, Seller may take or cause to be taken other corporate transactions in connection with the potential dispositions of its other businesses in Central America and South America (collectively, the “Additional Restructuring Transactions”).

(c) Notwithstanding any other provision contained herein to the contrary, unless otherwise expressly indicated herein, (i) the consummation of the Restructuring Transactions shall not constitute a breach of any representation, warranty or covenant contained herein, if consummated pursuant to and in accordance with this Agreement, and (ii) in no event shall the consummation of the Restructuring Transactions, if consummated pursuant to and in accordance with this Agreement, be deemed to cause a Company Material Adverse Effect for the purposes of this Agreement.

1.8 Withholding Rights. (a) Purchaser shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Article I, such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of federal, state, local or foreign Tax law, including, without limitation, Brazilian capital gains taxes imposed as a result of the Transaction, including any such Taxes imposed on Purchaser; provided, however, that if Purchaser intends to withhold any amounts in accordance with this Section 1.8(a) other than amounts described in Section 1.8(b), Purchaser shall provide Seller with written notice at least thirty (30) days prior to the applicable date of payment of such intention (other than in the case of any change in applicable Law the timing of which makes such advance notice impractical, in which case Purchaser shall provide Seller with notice of its intention to withhold as soon as practical) and afford Seller the opportunity to provide such Tax forms or other documentation that would eliminate or reduce the amount to be so withheld. To the extent such amounts are so deducted, Purchaser shall remit to the appropriate Taxing Authority such withheld amounts, and such withheld

and remitted amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of the Acquired Companies in respect of which the Purchaser made such deduction and withholding. Each of the parties agrees to use its reasonable best efforts to mitigate the imposition of any withholding Taxes but shall not be required to take any action it determines in its reasonable judgment is adverse to its interests.

(b) Notwithstanding anything in this Agreement to the contrary, the Parties agree that the following provisions of this Section 1.8(b) shall control with respect to any Brazilian income Taxes levied under applicable Law on capital gains realized by the Seller upon the sale of the Company Shares pursuant to this Agreement (such Taxes, the “Brazilian Withholding Taxes”), including any Tax Matters related thereto:

(i) The Parties acknowledge and agree that current Brazilian Law (Law No. 10,833 of 29 December 2003, as amended) requires that Purchaser (or, if Purchaser is a non-Brazilian entity, a representative of Purchaser in Brazil) withholds and pays on behalf of Seller, as applicable, the Brazilian Withholding Taxes.

(ii) Seller shall (a) in its reasonable discretion, calculate the amount of capital gains on the sale of the Company Shares (taking into account the amount of Seller’s acquisition cost based on the foreign investment registration with the Central Bank of Brazil) and the amount of the applicable Brazilian Withholding Taxes (including any Brazilian Withholding Taxes attributable to any Post-Closing Payment made under Section 1.6), which in each case shall be denominated in U.S. dollars, and (b) communicate such amounts to Purchaser in the Estimated Adjustment Amount Statement or the Adjustment Amount Statement, as applicable, and furnish to Purchaser at the same time drafts of the Documentos de Arrecadação de Receitas Federais (“DARFs”) that will be used by Purchaser to make the payments of such Brazilian Withholding Taxes. Seller will consider any reasonable written objections of Purchaser to the calculation of the amount of capital gains received by Seller within three (3) days of Seller’s delivery to Purchaser of the Estimated Adjustment Amount Statement or the Adjustment Amount Statement, as applicable.

(iii) Purchaser (or the relevant representative of Purchaser, as applicable) shall withhold and pay over the amount of any Brazilian Withholding Taxes as calculated by Seller under Section 1.8(b)(ii) (converted into Brazilian Reais based on the exchange rate for selling released by the Central Bank of Brazil (SISBACEN, PTAX800 – Option 5) on the date of the payment with respect to which such withholding is made to the relevant Brazilian Taxing Authorities within the time provided by applicable Law and shall furnish to Seller documentation evidencing such payments (including DARFs prepared based on the drafts provided by Seller under Section 1.8(b)(ii)), with the amount converted

in Brazilian Reais based on the exchange rate for selling released by the Central Bank of Brazil (SISBACEN, PTAX800 – Option 5) on the date of the payment with respect to which such withholding is made to the relevant Brazilian Taxing Authorities, in form and substance satisfactory to Seller (such documentation, including any receipts (original or certified copy), if issued by such Taxing Authorities evidencing such payments, or a copy of the Tax Return evidencing such payments, the “Brazilian Withholding Documentation”), (a) in the case of any Brazilian Withholding Taxes shown on the Estimated Adjustment Amount Statement, at the Closing and (b) in the case of any Brazilian Withholding Taxes shown on the Adjustment Amount Statement, within five (5) Business Days of the payment of such Brazilian Withholding Taxes to the relevant Brazilian Taxing Authority in accordance with this Section 1.8(b)(iii).

(iv) Purchaser and Seller hereby acknowledge that the Brazilian Withholding Taxes are currently calculated using a 15% rate under applicable Brazilian Law, and that such rate is scheduled to increase to 22.5% beginning January 1, 2017 (the incremental increase in the amount of the Brazilian Withholding Taxes resulting from such increase in rate is hereinafter referred to as the “Incremental Withholding Taxes”). If (i) the Closing does not occur by December 31, 2016, solely as a result of Purchaser’s failure to obtain the PRC Regulatory Approvals and (ii) the amount of the Brazilian Withholding Taxes withheld by Purchaser from the Purchase Price at Closing is calculated using a rate in excess of 15% under applicable Brazilian Law, Purchaser shall increase the Purchase Price by an amount equal to the Incremental Withholding Taxes increased as necessary so that Seller receives an amount, after such incremental withholding, equal to the amount Seller would have received had the Brazilian Withholding Taxes been calculated at a rate of 15%; provided, however, that such increase in Purchase Price shall be reduced by any Tax benefits, actually realized by Seller or any of its Affiliates as a result of the payment of such Incremental Withholding Taxes, which Tax benefits Purchaser will and will cause its Affiliates to use reasonable efforts to obtain). For the avoidance of doubt, this provision shall not limit Purchaser’s ability to withhold Taxes pursuant to this Section 1.8.

(v) Purchaser shall indemnify and hold harmless Seller and its Affiliates from and against all Taxes and Losses actually imposed on, suffered by or incurred by them in connection with, arising out of or resulting from any failure by Purchaser to remit the Brazilian Withholding Taxes in the amount required by Section 1.8(b)(iii) to the Brazilian Taxing Authorities as required by applicable Law (any Taxes and Losses described in this Section 1.8(b)(v), the “Purchaser Withholding Liabilities”).

(vi) Seller shall indemnify and hold harmless Purchaser and its Affiliates from and against all Taxes and Losses actually imposed on, suffered by or incurred by them if the relevant Brazilian Taxing Authorities claim or demand any Brazilian

Withholding Taxes in excess of the amount of such Brazilian Withholding Taxes calculated by Seller in accordance with Section 1.8(b)(ii) (any Taxes and Losses described in this Section 1.8(b)(vi), the “Seller Withholding Liabilities”); provided, however, that Seller shall be entitled to control any Tax Matter related to such a claim in accordance with Section 5.13(e)(i) and Section 8.5(g).

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser, subject to Section 1.7, that except as disclosed in the Seller Disclosure Schedules:

2.1 Organization and Qualification. Seller is a Luxembourg *société à responsabilité limitée* duly formed, validly existing and in good standing under the laws of the Grand Duchy of Luxembourg and is duly qualified or licensed to do business in each other jurisdiction where the actions required to be performed by it under this Agreement make such qualification or licensing necessary, and has full power and authority to own, lease and operate its assets and properties and to conduct its business as presently conducted, except where the failure to have such qualification or licensing or power and authority would not constitute a Seller Material Adverse Effect.

2.2 Authority. Seller has full power and authority to enter into this Agreement and, subject to receipt of the Seller Required Statutory Approvals, to consummate the transactions contemplated hereby. The execution, delivery and performance by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby have been duly and validly authorized by all requisite action on the part of Seller, and no other proceedings or approvals on the part of Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Seller and, assuming the due authorization, execution and delivery hereof by each other Party, constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as limited by Laws affecting the enforcement of creditors’ rights generally or by general equitable principles.

2.3 Non-contravention. The execution and delivery of this Agreement by Seller do not, and the consummation of the transactions contemplated hereby will not, (x) conflict with, result in any violation or breach of or default (with or without notice or lapse of time or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation under (any such conflict, violation, breach, default, right of termination, cancellation or acceleration is referred to herein as a “Violation”), pursuant to any provision of (a) the Organizational Documents of Seller; (b) any lease, mortgage, indenture, note, bond, deed of trust, contract, arrangement or agreement

or other instrument of any kind (each, a “Contract”) to which it is a party or by which it or its assets may be bound, or require a Consent thereunder; or (c) subject to obtaining the Seller Required Statutory Approvals, any Law, Permit or Governmental Order applicable to it, or (y) result in the creation of any Lien upon any of the properties or assets of Seller, other than Permitted Liens, other than, in the case of clauses (x)(b), (x)(c) and (y), any such Violation or Lien which would not constitute a Company Material Adverse Effect.

2.4 Statutory Approvals. Except for the filings or approvals (a) set forth in Schedule 2.4 of the Seller Disclosure Schedules (the “Seller Required Statutory Approvals”) and (b) as may be required due to the regulatory or corporate status of Purchaser or Purchaser Guarantor, no Consent of any Governmental Entity is required to be made or obtained by Seller or its Non-Company Affiliates in connection with the execution and delivery of this Agreement or the consummation by Seller or the Company of the transactions contemplated hereby, except those which the failure to obtain or make would not constitute a Company Material Adverse Effect.

2.5 Company Capitalization; Right and Title to Shares.

(a) There is no prohibition on distributions with respect to the Company Shares, other than Laws of general applicability.

(b) The share capital of the Company is set forth on Schedule 2.5(a) of the Seller Disclosure Schedule. As of the date hereof, there are issued and outstanding the number of Company Shares set forth on Schedule 2.5(a) of the Seller Disclosure Schedule. All Company Shares are validly issued and fully paid. The Company Shares constitute all of the issued and outstanding Equity Interests in the Company. As of the Closing, Seller will be the record and beneficial holder of, and will have good title to, the number of Company Shares set forth opposite its name in Schedule 2.5(a) of the Seller Disclosure Schedules. As of the Closing, Seller will hold such Company Shares free and clear of all Liens, other than those arising from this Agreement. Except as set forth in Schedule 2.5(b) of the Seller Disclosure Schedules and except as provided for in the Organizational Documents of the Company, true and accurate copies of which have been provided by Seller to Purchaser prior to the date hereof, there are no:

(i) subscriptions, options, warrants, calls, “phantom” stock rights, conversion, exchange, purchase right or other written Contracts, rights, agreements or commitments of any kind obligating, directly or indirectly, the Company to issue, transfer, sell or otherwise dispose of, or cause to be issued, transferred, sold or otherwise disposed of, or giving the right to any Person to purchase, acquire or otherwise receive, the Company Shares or any securities convertible into or exchangeable for any such Company Shares, or giving the right to any Person to receive or exercise, or be granted any benefits or rights

similar to any rights enjoyed by or accruing to the holder of the Company Shares, including any rights to participate in the equity or income of the Company or to participate in or direct the election of any directors or officers of the Company; or

(ii) agreements, limited liability company agreements, partnership agreements, voting trusts, proxies or other agreements, instruments or understandings to which the Company is a party, or by which the Company is bound, relating to the voting of any shares of the Company Shares.

2.6 Litigation. There is no Action pending or, to the Knowledge of Seller, threatened against Seller or any of its Non-Company Affiliates that, if adversely determined, would constitute a Seller Material Adverse Effect on Seller. Subject to obtaining the Seller Required Statutory Approvals, there are no Governmental Orders of or by any Governmental Entity applicable to Seller except for those that would not constitute a Company Material Adverse Effect or Seller Material Adverse Effect, or otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

2.7 Brokers and Finders. Seller has not entered into any agreement or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, except Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC, whose fees and expenses shall be paid by Seller or its direct or indirect parent companies.

2.8 No Other Representations and Warranties. Except for the representations and warranties contained in this Article II and in Article III, neither Seller nor any other Person acting on behalf of Seller makes any representation or warranty, express or implied, concerning Seller, the Company Shares or the businesses, finances, operations, assets, liabilities, prospects or any other aspect of the Acquired Companies.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Purchaser, subject to Section 1.7, that except as disclosed in the Seller Disclosure Schedules:

3.1 Organization and Qualification. Each Acquired Company currently existing in the Grand Duchy of Luxembourg (whether or not previously formed in another jurisdiction) is

duly formed, validly existing and in good standing under the laws of the Grand Duchy of Luxembourg, and each other Acquired Company is duly formed, validly existing and in good standing (to the extent such concepts are recognized under applicable Law) under the laws of the jurisdiction of its formation, each Acquired Company has full corporate, limited liability company, partnership or similar power and authority to own, lease and operate its assets and properties and to conduct its business as presently conducted and each Acquired Company is duly qualified to do business and is in good standing (to the extent such concepts are recognized under applicable Law) as a foreign corporation, limited liability company or partnership or otherwise in all jurisdictions in which such qualification is necessary under applicable Law as a result of the conduct of its business or the ownership of its properties, except for those jurisdictions where failure to be so qualified or in good standing would not constitute a Company Material Adverse Effect. True and complete copies of the Organizational Documents of the Acquired Companies have been made available to Purchaser.

3.2 Authority. The Company has full power and authority to enter into this Agreement and subject to receipt of the Company Required Statutory Approvals, to consummate the transactions contemplated hereby. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by all requisite action on the part of the Company, and no other proceedings or approvals on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery hereof by each other Party, constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by Laws affecting the enforcement of creditors' rights generally or by general equitable principles.

3.3 Non-contravention. The execution and delivery of this Agreement by the Company do not, and the consummation of the transactions contemplated hereby will not, result in (x) any Violation pursuant to any provision of (a) subject to obtaining the third-party Consents set forth in Schedule 3.3 of the Seller Disclosure Schedules (the "Company Required Consents"), the Organizational Documents of any Acquired Company; (b) subject to obtaining the Company Required Consents, any Contract to which any Acquired Company is a party or by which any Acquired Company or its assets may be bound, or require a Consent thereunder; or (c) subject to obtaining the Seller Required Statutory Approvals and the Company Required Statutory Approvals, any Law, Permit or Governmental Order applicable to any Acquired Company, or (y) result in the creation of any Lien upon any of the properties or assets of any Acquired Company, other than Permitted Liens, other than, in the case of clauses (x)(b), (x)(c) and (y), any such Violation or Lien which would not constitute a Company Material Adverse Effect.

3.4 Statutory Approvals. Except for the filings or approvals (a) set forth in Schedule 3.4 of the Seller Disclosure Schedules (the “Company Required Statutory Approvals”) and (b) as may be required due to the regulatory or corporate status of Purchaser or Purchaser Guarantor, no Consent of any Governmental Entity is required to be made or obtained by any Acquired Company in connection with the execution and delivery of this Agreement or the consummation by Seller or the Company of the transactions contemplated hereby, except those which the failure to obtain or make would not constitute a Company Material Adverse Effect.

3.5 Capitalization.

(a) Company Subsidiaries. Schedule 3.5(a) of the Seller Disclosure Schedules sets forth for each Company Subsidiary: (i) its jurisdiction of formation; (ii) its authorized Equity Interests; (iii) the number of its issued and outstanding Equity Interests; (iv) the Equity Interests that are wholly or jointly owned, directly or indirectly, by the Company; (v) the holder or holders of such Equity Interests that are wholly or jointly owned, directly or indirectly, by the Company; and (vi) the percentage ownership of each holder. The Equity Interests of each Company Subsidiary that are owned, directly or indirectly, by the Company, as set forth in Schedule 3.5(a) of the Seller Disclosure Schedules, are owned free and clear of all Liens, other than those arising from this Agreement and other than as set forth in Schedule 3.5(a) of the Seller Disclosure Schedules. All of the issued and outstanding Equity Interests in each Company Subsidiary that are owned, directly or indirectly, by the Company have been duly authorized and, to the extent such concepts are recognized under applicable Law, are validly issued and fully paid. There is no prohibition on distribution with respect to the Equity Interests of any Company Subsidiary, other than Laws of general applicability.

(b) Project Companies. Schedule 3.5(b) of the Seller Disclosure Schedules sets forth for each Project Company (i) its jurisdiction of formation; (ii) its authorized Equity Interests; (iii) the number of its issued and outstanding Equity Interests; (iv) the Equity Interests that are wholly or jointly owned, directly or indirectly, by the Company; (v) the holder or holders of such Equity Interests that are wholly or jointly owned, directly or indirectly, by the Company, and (vi) the percentage ownership of each holder. The Equity Interests of each Project Company that are owned, directly or indirectly, by the Company, as set forth in Schedule 3.5(b) of the Seller Disclosure Schedules, are owned free and clear of all Liens, other than those arising from this Agreement and other than as set forth in Schedule 3.5(b) of the Seller Disclosure Schedules. All of the issued and outstanding Equity Interests in each Project Company that are owned, directly or indirectly, by the Company have been duly authorized and, to the extent such concepts are recognized under applicable Law, are validly issued and fully paid. There is no prohibition on distribution with respect to the Equity Interests of any Project Company, other than Laws of general applicability.

(c) No Other Equity Interests. Except as set forth on Schedule 3.5(c) of the Seller Disclosure Schedules, the Company does not own, directly or indirectly, any Equity Interests in any Person other than the Company Subsidiaries and the Project Companies. All of the issued and outstanding Equity Interests set forth on Schedule 3.5(c) that are owned, directly or indirectly, by the Company have been duly authorized and, to the extent such concepts are recognized under applicable Law, are validly issued and fully paid.

(d) Agreements with respect to Company Shares and Equity Interests of the Acquired Companies. Except as set forth in Schedule 3.5(d) of the Seller Disclosure Schedules and except as provided for in the Organizational Documents of any Acquired Company, true and accurate copies of which have been provided by the Company to Purchaser prior to the date hereof, there are no:

(i) subscriptions, options, warrants, calls, “phantom” stock rights, conversion, exchange, purchase right or other written Contracts, rights, agreements or commitments of any kind obligating, directly or indirectly, any Acquired Company to issue, transfer, sell or otherwise dispose of, or cause to be issued, transferred, sold or otherwise disposed of, or giving the right to any Person to purchase or acquire or otherwise receive, any Equity Interests of any Acquired Company or any securities convertible into or exchangeable for any such Equity Interests, or giving the right to any Person to receive or exercise, or be granted any benefits or rights similar to any rights enjoyed by or accruing to the holder of the Equity Interests of any Acquired Company, including any rights to participate in the equity or income of any Acquired Company or to participate in or direct the election of any directors or officers of any Acquired Company; or

(ii) agreements, limited liability company agreements, partnership agreements, voting trusts, proxies or other agreements, instruments or understandings to which any Acquired Company is a party, or by which any Acquired Company is bound, relating to the voting of any shares of the Equity Interests of any Acquired Company.

3.6 Financial Statements. Schedule 3.6(a) of the Seller Disclosure Schedules contains true and complete copies of (a) the audited or unaudited, as applicable, statement of operations and statement of cash flows of the Acquired Companies as indicated on such statements as of and for the year ended December 31, 2015 and balance sheet of the Acquired Companies as indicated on such statement as of December 31, 2015 (collectively, the “December 2015 Financial Statements”) and (b) the unaudited statement of operations and statement of cash flows of the Acquired Companies as indicated on such statements as of and for the six (6) months ended June 30, 2016 and balance sheet of the Acquired Companies as indicated on such statement as of June 30, 2016 (collectively, the “June 2016 Financial Statements,” and collectively with the December

2015 Financial Statements, and with any notes thereto, the "Financial Statements"). Except as set forth in Schedule 3.6(b) of the Seller Disclosure Schedules, the Financial Statements (a) have been prepared in accordance with GAAP, consistently applied (except as may be noted therein), from the books and records of the Acquired Companies and (b) present fairly, in all material respects, the financial position, results of operations and cash flows of the Acquired Companies, as of the date indicated thereon and for the periods then ended.

3.7 Absence of Certain Changes or Events. Except as set forth on Schedule 3.7 of the Seller Disclosure Schedules or for the transactions contemplated by this Agreement, since December 31, 2015, (a) each of the Acquired Companies has conducted its business only in the ordinary course of business consistent with past practice in all material respects, and (b) there has not been any change, event, condition, circumstance, occurrence or development which would constitute a Company Material Adverse Effect.

3.8 No Undisclosed Liabilities. Except (a) as set forth in the Financial Statements, (b) for Liabilities incurred by the Acquired Companies since December 31, 2015 in the ordinary course of their respective businesses, consistent with past practice, none of which constitutes a Company Material Adverse Effect, and (c) for Liabilities for Taxes, there are no Liabilities of the Acquired Companies of the nature required to be disclosed in a balance sheet prepared in accordance with GAAP.

3.9 Tax Matters.

(a) Except as otherwise set forth on Schedule 3.9(a) of the Seller Disclosure Schedules:

(i) All material Tax Returns required to be filed by any of the Acquired Companies have been timely filed and all such Tax Returns were true, correct and complete in all material respects;

(ii) All material Taxes required to be paid under applicable Law by the Acquired Companies have been timely paid or adequate provisions for such Taxes have been made on the latest balance sheet included in the Financial Statements and all material Tax liabilities for periods subsequent to the Financial Statements have been accrued on the books and records of the Acquired Companies;

(iii) There are no audits, claims, assessments or other examinations regarding material Taxes pending against any of the Acquired Companies as of the date hereof, nor has any of the Acquired Companies received any written notices from any Taxing Authority relating to such an audit, claim, assessment or examination;

(iv) Neither Seller nor any Acquired Company (A) has entered into an agreement or waiver (that has not expired) with a Taxing Authority extending any statute of limitations in respect of any material Tax Returns required to be filed by any of the Acquired Companies or in respect of material Taxes payable under applicable Law by any of the Acquired Companies or (B) is presently contesting a material Tax liability of any of the Acquired Companies before any court, tribunal or agency;

(v) All material agreements, concessions, dispensations or other arrangements of the Acquired Companies which have been made with or by any Taxing Authority (whether formal or informal) currently subsisting are set forth in Schedule 3.9(a)(v) of the Seller Disclosure Schedules. To the Seller's Knowledge, the Acquired Companies have not taken any action which has had or will have the result of altering, prejudicing or in any way disturbing any such agreement, concession, dispensation or arrangement;

(vi) None of the Acquired Companies has been included in any "consolidated," "unitary" or "combined" Tax Return provided for under the laws of any jurisdiction or any state or locality with respect to Taxes for any taxable period for which the statute of limitations has not expired (other than a group of which an Acquired Company is the common parent);

(vii) All material Taxes that any of the Acquired Companies is (or was) required by applicable Law to withhold or collect in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, member or other third party have been withheld or collected, and have been timely paid over to the appropriate Taxing Authority to the extent due and payable;

(viii) No Acquired Company has received a written claim from any Taxing Authority in a jurisdiction where such Acquired Company does not file Tax Returns that such Acquired Company is subject to taxation by that jurisdiction;

(ix) There are no material Tax sharing, allocation, or indemnification agreements currently in effect as between any of the Acquired Companies and any other party (including Seller and any predecessors or Affiliates thereof) under which Purchaser or any of the Acquired Companies could be liable for any material Taxes of any party, other than commercial leases, financing agreements or other agreements entered into in the ordinary course of business that are not primarily related to Taxes;

(x) None of the Acquired Companies is or has been a "surrogate foreign corporation" within the meaning of Section 7874 of the Code;

(i) Each Acquired Company is in compliance, in all material respects, with (A) the terms and conditions of Law No. 10,637 of 31 December 2002, art. 47, and (B) the terms of any additional agreements, concessions, dispensations or other arrangements that may be entered into by an Acquired Company with a Taxing Authority between the date hereof and the Closing, and the consummation of the transactions contemplated by this Agreement will not have any material adverse effect on the continued validity and effectiveness of any such Tax exemption;

(ii) A valid functional currency request within the meaning of Circular L.G. - A n° 60 dated 21 June 2016 has been duly and timely filed by the Company with the Luxembourg Tax authorities; and

(xi) The Company is an “NFFE Affiliate of a Publicly Traded Corporation” (as such term is used on IRS Form W-8BEN-E).

(b) Notwithstanding any other provision of this Agreement, (i) the representations and warranties contained in Section 3.9(a) and Section 3.12 constitute the sole and exclusive representations and warranties relating to any Taxes or Tax Returns and (ii) nothing in this Agreement (including this Section 3.9) shall be construed as providing a representation or warranty with respect to the existence, amount, expiration date or limitations on (or availability of) any Tax attribute (including methods of accounting) of any Acquired Company.

3.10 Litigation. Except as set forth in Schedule 3.10 of the Seller Disclosure Schedules, there is no Action pending or, to the Knowledge of the Company, threatened against any Acquired Company or affecting the Contracts, assets or properties of any Acquired Company that, if adversely determined, would constitute a Company Material Adverse Effect.

3.11 Compliance with Laws.

(a) Except as set forth in Schedule 3.11(a) of the Seller Disclosure Schedules, since December 31, 2013, no Acquired Company has been given written notice by any Governmental Entity of, or been charged in writing by any Governmental Entity with, any violation of, or is in violation of, or, to the Knowledge of the Company, is under investigation with respect to any violation of, any Law or Governmental Order, and there are no outstanding Governmental Orders to which any Acquired Company is subject or by which its assets are bound, except in each case that would not constitute a Company Material Adverse Effect.

(b) Since five years prior to the date hereof, neither the Acquired Companies, nor, to the Knowledge of the Acquired Companies, their Representatives, Affiliates and employees, with respect to or on behalf of the Acquired Companies, have violated, in a way that would constitute a Company Material Adverse Effect, (a) the USA PATRIOT Act of 2001, as

amended, and any rules and regulations promulgated thereunder, (b) the Foreign Corrupt Practices Act of 1977, as amended, and any rules and regulations promulgated thereunder, (c) the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and legislation implementing such Convention, (d) the United Kingdom Bribery Act of 2010, as amended, and any rules and regulations promulgated thereunder, and (e) the Brazilian anticorruption law (Law 12,846/13), and any rules and regulations promulgated thereunder. Since five years prior to the date hereof, no Acquired Company or, to its Knowledge, its Representatives, employees and agents, with respect to or on behalf of any Acquired Company, has made any offer, payment, promise of payment or authorization of payment of any amount or anything of value to a public official, or to any person knowing that such person would offer, give or promise to give to a public official a portion or the entirety of such amount or value, with the purpose of: (i) influencing any action or decision of such public official or inducing the public official to act or fail to act in violation of his/her legitimate or official duty; (ii) inducing such public official to use its influence with any Governmental Entity to affect or influence any action or decision of such Governmental Entity; or (iii) obtaining or maintaining business for any person.

(c) This Section 3.11 does not relate to Tax matters, which are instead the subject of Section 3.9, employee benefits matters, which are instead the subject of Section 3.12, Permits, which are instead the subject of Section 3.13, or environmental matters, which are instead the subject of Section 3.16.

3.12 Employee Benefits.

(a) Schedule 3.12(a) of the Seller Disclosure Schedules contains a list of each material Company Plan. "Company Plan" shall mean each bonus, incentive or deferred compensation, pension, retirement, profit-sharing, savings, employment, consulting, compensation, stock purchase, stock option, phantom stock or other equity-based compensation, severance pay, termination, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life, loan, educational assistance and other fringe benefit plans, programs, agreements and arrangements (exclusive of any such plan, program, agreement or arrangement established or maintained solely as required by applicable Law) maintained by or required to be contributed to by the Company or any trade or business, whether or not incorporated, that together with the Company would be deemed a "single employer" within the meaning of Section 4001 of ERISA (an "ERISA Affiliate") for the benefit of any current or former employee, officer, director or independent contractor of any Acquired Company.

(b) With respect to each Company Plan listed on Schedule 3.12(a) of the Seller Disclosure Schedules, the Company has made available to Purchaser, to the extent applicable, true, correct and complete copies of (1) the Company Plan document, including any amendments

thereto, and all related trust documents, insurance contracts or other funding vehicles, (2) a written description of such Company Plan if such plan is not set forth in a written document, (3) the most recently prepared actuarial report, (4) the most recent summary plan description together with the summary or summaries of all material modifications thereto and (5) all material correspondence to or from any other Governmental Entity received since December 31, 2013 with respect to any Company Plan.

(c) Except as set forth on Schedule 3.12(c) of the Seller Disclosure Schedules, each Company Plan is established or maintained by one or more of the Acquired Companies outside of the United States of America primarily for the benefit of individuals residing outside the United States of America (a “Non-U.S. Benefit Plan”).

(d) Each Non-U.S. Benefit Plan has been administered in all material respects in compliance with its terms and applicable Law. Except as set forth Schedule 3.12(d) of the Seller Disclosure Schedules, there is no pending or, to the Knowledge of the Company, threatened legal Action or any action, suit or claim relating to Taxes, in each case, relating to the Non-U.S. Benefit Plans (other than routine claims for benefits).

(e) No circumstances exist that could reasonably be expected to cause an Acquired Company to have any material Liability after the Closing under Title IV of ERISA or Chapter 43 of the Code in respect of any plan, program, agreement or arrangement maintained by Seller or any ERISA Affiliate.

(f) All material contributions to each Non-U.S. Benefit Plan required under the terms of such Non-U.S. Benefit Plan or applicable Law have been timely made.

(g) Except as set forth in Schedule 3.12(g) of the Seller Disclosure Schedules, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in combination with another event) (i) entitle any current or former employee or director of any Acquired Company to any payment, or result in any payment becoming due, increase the amount of any compensation due, or result in the acceleration of the time of any payment due to any such person, (ii) increase any benefits otherwise payable under any Company Plan or result in the acceleration of the time of payment or vesting of any benefit under a Company Plan, (iii) directly or indirectly cause the Company or any Acquired Company to transfer or set aside any assets to fund any material benefits under any Non-U.S. Benefit Plan, (iv) otherwise reasonably be expected to give rise to any material liability under any Non-U.S. Benefit Plan, (v) limit or restrict the right to merge, materially amend, terminate or transfer the assets of any Non-U.S. Benefit Plan on or following the Closing, (vi) require a “gross-up,” indemnification for, or payment to any individual for any taxes imposed under Section 409A or Section 4999 of the Code or any other employment-related taxes (other than any payments intended

to compensate for the difference in taxes attributable to an overseas assignment), or (vii) result in the payment of any amount that could, individually or in combination with any other such payment, constitute an “excess parachute payment” as defined in Section 280G(b)(1) of the Code.

(h) Except as set forth in Schedule 3.12(h) of the Seller Disclosure Schedules, no Non-U.S. Benefit Plan that is an employee welfare benefit plan within the meaning of Section 3(1) of ERISA provides benefits, including death or medical benefits (whether or not insured), with respect to current or former employees of any Acquired Company beyond their retirement or other termination of service, other than (i) coverage mandated solely by applicable Law or (ii) benefits, the costs of which are borne by the current or former employee or his or her beneficiary.

(i) With respect to each Non-U.S. Benefit Plan: (i) all employer and employee contributions to each Non-U.S. Benefit Plan required by Law or by the terms of such Non-U.S. Benefit Plan have been made, or, if applicable, accrued, in all material respects, in accordance with normal accounting practices; (ii) the fair market value of the assets of each funded Non-U.S. Benefit Plan, together with any book reserve and accrued contributions, is not less than the accrued benefit obligations with respect to all current and former participants in such plan according to the actuarial assumptions and valuations most recently used to determine employer contributions to such Non-U.S. Benefit Plan; and (iii) each Non-U.S. Benefit Plan required to be registered has been registered and has been maintained in good standing in all material respects with applicable regulatory authorities.

3.13 Permits.

(a) Except as set forth in Schedule 3.13(a)(i) of the Seller Disclosure Schedules, each of the Acquired Companies has all material Permits that are necessary for it to conduct its operations in the manner in which they are presently conducted in accordance with Law, and all such Permits are listed on Schedule 3.13(a). Except as set forth in Schedule 3.13(a)(ii) of the Seller Disclosure Schedules, each material Permit held by the Acquired Companies is in full force and effect, in all material respects, and the Acquired Companies have been, since December 31, 2013, and currently are in compliance, in all material respects, with each such Permit, and there is no pending proceeding by any Governmental Entity or any threat in writing by any Governmental Entity to cancel, suspend, materially modify or fail to renew any material Permits.

(b) This Section 3.13 does not relate to environmental matters, which are instead the subject of Section 3.16.

3.14 Real Property.

(a) Schedule 3.14(a)(i) of the Seller Disclosure Schedules lists all material real property leases, including amendments and modifications thereto and guarantees thereof (collectively, the “Leases”) to which any Acquired Company is a party (the “Leased Real Property”). Schedule 3.14(a)(ii) of the Seller Disclosure Schedules lists all material real property owned by any Acquired Company, including all easements, appurtenances, hereditaments, rights of way, contracts for the assignment of rights (including reservoir margin rights) (*contratos de cessão de uso*) and similar rights, either granted or received by any of the Acquired Companies (the “Owned Real Property”), other than any real property rights of any Acquired Company owned pursuant to the Concessions. To the Knowledge of the Company, Schedule 3.14(a)(iii) of the Seller Disclosure Schedules lists all material real property over which any Acquired Company has possession rights (*direito de posse*) pursuant to the partial spin-off protocol (*protocolo de cisão parcial*) of CESP – Companhia Energética de São Paulo dated as of March 23, 1999 and all material real property over which any Acquired Company has possession rights and/or property rights related to the Concessions (the “Concession Real Property”).

(b) Except as would not constitute a Company Material Adverse Effect, (i) each Acquired Company has good and valid title to, or a valid leasehold interest in (or has analogous property rights under applicable Law), all Owned Real Property and Leased Real Property, as the case may be and (ii) none of the Acquired Companies has entered into any Contract to sell or granted an option or other right to any third party to purchase any of the Owned Real Property or any sublease with respect to any Leased Real Property.

(c) Schedule 3.14(c) of the Seller Disclosure Schedules contains a true and complete list of the concession agreements entered into between any Acquired Company and the Brazilian Governmental Entities in connection with hydroelectric power plants, as well as any authorizations and licenses whereby the relevant Governmental Entities have authorized any Acquired Company to operate its respective power generation plants (collectively, the “Concessions”). Except as would not constitute a Company Material Adverse Effect, each Acquired Company has the lawful right of possession (*posse*) of all Concession Real Property.

(d) No Acquired Company has received written notice of (i) a proceeding in eminent domain or other similar proceedings, and/or (ii) administrative or judicial proceedings relating to indigenous people, afro-descendent (*quilombola*) communities, resettled communities, non-governmental or social organizations rights or claims, and/or (iii) administrative or judicial proceedings relating to third parties *in rem* rights, affecting any of the Concession Real Property, Owned Real Property or Leased Real Property, entirely or partially, that would constitute a Company Material Adverse Effect.

(e) Except as would not constitute a Company Material Adverse Effect, (i) no Person, except for Governmental Entities pursuant to the Concessions, has a right to acquire

any interest in or become the owner of the Concession Real Property, Owned Real Property or Leased Real Property, (ii) there is no Person in possession of or using any portion of the Concession Real Property, Owned Real Property or Leased Real Property other than the Acquired Companies, and (iii) the possession and boundaries of the Concession Real Property, Owned Real Property or Leased Real Property have not been challenged by any Person since December 31, 2013.

(f) True and complete copies of all Leases and Concessions have been made available to Purchaser. Except as would not constitute a Company Material Adverse Effect, (i) each Lease and Concession is valid and binding and has not been terminated or repudiated by any party thereto, (ii) an Acquired Company has been in peaceable possession since the commencement of the original term of such Lease of the applicable Leased Real Property and is not in default thereunder and (iii) an Acquired Company has been in peaceable possession or control since the commencement of the original term of such Concession of the applicable Concession Real Property and is not in default thereunder.

3.15 Contracts.

(a) Set forth in Schedule 3.15(a) of the Seller Disclosure Schedules is, as of the date hereof, a list of the following Contracts to which any Acquired Company is a party or by which any of its respective properties or assets are bound, other than any insurance policies covering any Acquired Company or any of its respective assets (the Contracts set forth (or required to be set forth) in Schedule 3.15(a) of the Seller Disclosure Schedules are referred to herein as the “Company Material Contracts” and, as used in this Section 3.15, “Contracting Party” shall refer to any Acquired Company party to such Company Material Contract):

(i) all Operating Contracts providing for the payment by or to the Contracting Party in excess of the Relevant Material Contract Amount per year (other than (A) any agreements with another Acquired Company to document certain intercompany loans or (B) any agreements among any Acquired Company for the provision of services and/or payment of costs) which are not terminable by either party thereto upon sixty (60) days’ notice or less;

(ii) all Contracts (other than Operating Contracts) requiring a capital expenditure by the Contracting Party in excess of the Relevant Material Contract Amount in any twelve-month (12-month) period;

(iii) all Contracts under which the Contracting Party is obligated to sell real or personal property having a value in excess of the Relevant Material Contract Amount;

(iv) all Contracts for the purchase or sale of any business, corporation, partnership, joint venture, association or other business organization or any division, assets, operating unit or product line thereof which have a purchase or sale price in excess of the Relevant Material Contract Amount, provided that, financial obligations remain under such Contracts (including potential indemnification obligations);

(v) all shareholders, partnership, limited liability company, voting, joint venture, joint development, strategic alliance, co-marketing, co-promotion or similar Contracts;

(vi) all Contracts under which the Contracting Party (A) created, incurred, assumed or guaranteed (or may create, incur, assume or guarantee) Indebtedness, (B) granted a Lien (other than Permitted Liens) on any Acquired Company or its interests or assets, whether tangible or intangible, to secure any Indebtedness or (C) extended credit or advanced funds to any Person, in each case, in excess of the Relevant Material Contract Amount;

(vii) all Contracts that grant a right of first refusal or similar right with respect to (A) any assets of the Contracting Party having a value in excess of the Relevant Material Contract Amount or (B) any direct or indirect economic interest in the Contracting Party having a value in excess of the Relevant Material Contract Amount;

(viii) any Contract providing for the use of (or covenanting not to assert) any Intellectual Property which is either material or has an annual license payment or fee in excess of the Relevant Material Contract Amount;

(ix) (A) any management service, consulting, financial advisory or any other similar type Contract and all Contracts with investment or commercial banks requiring payments in excess of the Relevant Material Contract Amount, in each case, other than in the ordinary course of business, and (B) any engagement letter or similar agreement with investment or commercial banks the obligations under which would survive the Closing and would require any Acquired Company to use the services of such investment or commercial bank (or offer such investment or commercial bank the opportunity to provide its services, or rights of first refusal in connection with such services or similar provisions);

(x) all Contracts materially limiting the ability of the Company or any of its Subsidiaries to engage in any material line of business or to compete with any Person or in any geographical area;

(xi) all Contracts involving any resolution or settlement of any actual or threatened Action having a value in excess of the Relevant Material Contract Amount;

(xii) all Contracts involving a standstill arrangement;

(xiii) all commitments or agreements to do or engage in any of the foregoing.

(b) Except as set forth in Schedule 3.15(b)(i) of the Seller Disclosure Schedules, the Company has made available to Purchaser complete and correct copies of all Company Material Contracts. Except as set forth in Schedule 3.15(b)(ii) of the Seller Disclosure Schedules, each Company Material Contract is (i) in full force and effect and (ii) the legal, valid and binding obligation of the Acquired Company party thereto and, to the Knowledge of the Company, of each other party thereto, enforceable against such Acquired Company or, to the Knowledge of the Company, against each other party thereto, except as such enforceability is limited by Laws affecting the enforcement of creditors' rights generally or by general equitable principles and, in each case, with such exceptions as would not constitute a Company Material Adverse Effect. Except as set forth in Schedule 3.15(b)(ii) of the Seller Disclosure Schedules, no Acquired Company is in breach or default under any Company Material Contract, which breach or default has not been waived, and, to the Knowledge of the Company, no other party to any Company Material Contract is in breach or default, except in each case, for any breach or default that would not constitute a Company Material Adverse Effect.

3.16 Environmental Matters.

(a) Except as set forth in Schedule 3.16 of the Seller Disclosure Schedules, or as would not constitute a Company Material Adverse Effect:

(i) each Acquired Company is, and has been for the five years prior to the date hereof, in compliance with all applicable Environmental Laws, including having and complying with the terms and conditions of all Permits required pursuant to applicable Environmental Laws that are necessary for them to conduct their operations ("Environmental Permits"), all of which Environmental Permits are in full force and effect;

(ii) no Acquired Company (A) has received any written notice of any actual or alleged violation of or Liability under any Environmental Law or written notice of any investigation with respect to actual or potential Liability under any Environmental Law, other than notices with respect to matters that have been resolved and for which any Acquired Company has no further obligations outstanding or (B) is subject to any outstanding

Governmental Order with regard to any violation of or Liability under any Environmental Law;

(iii) no Action is pending or, to the Knowledge of the Company, threatened under any applicable Environmental Law involving any Acquired Company;

(iv) no Hazardous Substances have been Released (A) such that any Acquired Company would be obligated to take any Remedial Action with respect to such Releases of such Hazardous Substances or (B) that would reasonably be expected to result in claims against any Acquired Company by other Persons under any Environmental Law (including claims for damage or injury to persons, property or natural resources);

(v) none of the Acquired Companies have assumed the Liability of any other Person under any Environmental Law pursuant to a written agreement in connection with the sale of any property or business, excluding any such liabilities or obligations which have expired or terminated by the terms of said agreement; and

(vi) all Acquired Companies are in full and timely compliance with all commitment terms for compensation of vegetation suppression. None of the Acquired Companies has been notified by any Governmental Entity of any breach of such commitment terms.

(b) Seller has made available to Purchaser materially accurate copies and results of all material reports, studies, analyses, tests, or monitoring in possession of Seller or any of the Acquired Companies pertaining to Hazardous Substances in, on, or under the Acquired Companies' facilities, or concerning compliance by the Acquired Companies' facilities or the Acquired Companies, which documents have been prepared since January 1, 2015.

(c) Notwithstanding any of the representations and warranties contained elsewhere in this Agreement, all environmental matters shall be governed exclusively by this Section 3.16.

3.17 Labor Matters.

(a) Schedule 3.17(a) of the Seller Disclosure Schedules contains a list of all collective bargaining agreements or labor agreements to which any Acquired Company is bound (the "CBAs").

(b) Except as set forth in Schedule 3.17(b) of the Seller Disclosure Schedules, no employees of any Acquired Company are represented by any labor union, works council or labor organization with respect to their employment with any Acquired Company.

(c) To the Knowledge of the Company, there are no material labor union organizing activities with respect to any employees of any Acquired Company.

(d) Since December 31, 2011 to the date hereof, there have been no material labor strikes, lockouts, union organization activities (including, but not limited to, union organization campaigns or requests for representation), pickets, slowdowns, stoppages, material grievances or collective labor disputes or similar activity against or affecting any Acquired Company.

(e) Each Acquired Company is, and, since December 31, 2011, has been, in compliance in all material respects with all applicable Laws and Governmental Orders respecting labor, employment, fair employment practices (including equal employment opportunity laws), terms and conditions of employment, classification of employees and independent contractors, workers' compensation, occupational safety and health, immigration, affirmative action, employee and data privacy, plant closings, and wages and hours.

3.18 Intellectual Property.

(a) Schedule 3.18(a) of the Seller Disclosure Schedules lists all registered (or pending applications for registration of) patents, trademarks, service marks, trade names, domain names, and copyrights that will be owned by an Acquired Company as of the Closing Date or will otherwise be transferred to Purchaser at the Closing.

(b) Except as set forth on Schedule 3.18(b) of the Seller Disclosure Schedules or as would not constitute a Company Material Adverse Effect, (i) each Acquired Company owns (free and clear of all Liens other than Permitted Liens), or has the right to use, all patents, patent rights (including patent applications and licenses), know-how, trade secrets, trademarks (including trademark applications and registrations, trademark rights, trade names, trade name rights, service marks, and service mark rights), copyrights, software, data, databases, information technology, and other proprietary intellectual property rights (collectively, "Intellectual Property") and information technology assets, in each case, used in and necessary for the conduct of the businesses of the Acquired Companies as currently conducted, and such rights will not be adversely affected by the consummation of the transactions contemplated hereby, (ii) the businesses of the Acquired Companies as currently conducted do not infringe, misappropriate or otherwise violate the Intellectual Property rights of any third party, (iii) there is no Action pending and, to the Knowledge of the Company, no third party is alleging the foregoing (ii) or challenging, infringing or otherwise violating any right of any Acquired Company in any Intellectual Property owned by an Acquired Company; (iv) no Acquired Company has received any written notice of any claim alleging (ii) or (iii), including that Intellectual Property owned by an Acquired Company and used in and necessary for the conduct of the businesses of the Acquired Companies as currently conducted infringes or otherwise violates the Intellectual Property rights of any third party; (v) each Acquired

Company has used commercially reasonable efforts to protect its material trade secrets and confidential information and any personal information or data in its possession from unauthorized access by third Persons; and (vi) the Acquired Companies' information technology assets have not materially malfunctioned or failed within the past three years (except in a manner that has since been fully resolved in a commercially reasonable manner).

3.19 Affiliate Contracts; Intercompany Indebtedness; Support Obligations.

(a) Schedule 3.19(a)(i) of the Seller Disclosure Schedules contains a true and complete list of each Contract as of the date hereof between (a) any Acquired Company, on the one hand, and (b) Seller or any Non-Company Affiliate, on the other hand (collectively, but excluding any Intercompany Indebtedness and Support Obligations, the "Affiliate Contracts"). Other than pursuant to the Affiliate Contracts and except as set forth on Schedule 3.19(a)(ii) of the Seller Disclosure Schedules, (x) neither Seller nor any Non-Company Affiliate provides or causes to be provided any assets, services or facilities to the Acquired Companies which are necessary in any material respect to conduct their businesses as currently conducted, and (y) none of the Acquired Companies provides or causes to be provided any assets, services or facilities to Seller or any Non-Company Affiliate.

(b) Schedule 3.19(b) of the Seller Disclosure Schedules contains a true and accurate account of all Indebtedness as of the date of such Schedule that is owed from any Acquired Company, on the one hand, to Parent or any of its Non-Company Affiliates, on the other hand (all such Indebtedness, whether or not included on such Schedule, the "Intercompany Indebtedness").

(c) Schedule 3.19(c) of the Seller Disclosure Schedules contains a true and complete list of all credit support obligations, including guarantees, letters of credit, escrow arrangements, surety and performance bonds and security agreements and arrangements outstanding as of the date hereof provided by certain Non-Company Affiliates on behalf of certain of the Acquired Companies (the "Support Obligations").

3.20 Insurance.

(a) Set forth in Schedule 3.20(a)(i) of the Seller Disclosure Schedules is a true and complete list of all material third-party policies of insurance under which any assets or business activities of any Acquired Company are covered, including, for each such policy, the type of policy, the name of the insured, the term of the policy, a description of the limits of such policy, the basis of coverage and the deductibles. Each such insurance policy is valid and binding and in full force and effect, no material premiums due thereunder have not been paid, and neither Seller nor the Acquired Companies have received any written notice of cancellation or termination in respect of any such insurance policy or is in material breach of or material default under any such

insurance policy. Schedule 3.20(a)(ii) of the Seller Disclosure Schedules sets forth a list of all pending claims and the claims history of the Acquired Companies since December 31, 2013.

(b) Seller or a Non-Company Affiliate of Seller provides the self-insurance arrangements to the Project Companies set forth in Schedule 3.20(b) of the Seller Disclosure Schedules relating to their respective businesses on such terms and against such risks and losses as is in accordance with good industry practices. Any such self-insurance arrangements are in full force and effect, and each Project Company is in material compliance with the terms and conditions thereof.

3.21 Brokers and Finders. No Acquired Company has entered into any agreement or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any broker's or finder's fee or any other commission or similar fee payable by any Acquired Company in connection with any of the transactions contemplated by this Agreement, except Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC, whose fees and expenses shall be paid by Seller or its direct or indirect parent companies.

3.22 Duke Energy International Brasil Holdings, LLC. Duke Energy International Brasil Holdings, LLC, a Delaware limited liability company, (a) was formed solely for the purpose of holding 0.01% (one quota) of Duke International, Brasil Ltda (Brazil), (b) holds only such quota and otherwise has no assets or Liabilities (other than incurred or to be incurred in connection with maintaining its corporate existence) and (c) has not made any other investment or otherwise engaged in any other activities or conducted any business or operations not related to holding such quota.

3.23 No Other Representations and Warranties. Except for the representations and warranties contained in this Article III and in Article II, no Acquired Company or Person acting on behalf of any Acquired Company makes any representation or warranty, express or implied, concerning the businesses, finances, operations, assets, liabilities, prospects or any other aspect of the Acquired Companies.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Except as set forth in the Purchaser Disclosure Schedules, Purchaser represents and warrants to Seller as follows in this Article IV:

4.1 Organization and Qualification. Purchaser is a *société à responsabilité limitée*, duly formed, validly existing and in good standing under the laws of Grand Duchy of Luxembourg and has full company power and authority to own, lease and operate its assets and properties and to conduct its business as presently conducted. Purchaser is duly qualified to do

business and is in good standing as a foreign company in all jurisdictions in which such qualification is necessary under applicable Law as a result of the conduct of its business or the ownership of its properties, except for those jurisdictions where failure to be so qualified or in good standing would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.2 Authority. Purchaser has full company power and authority to enter into this Agreement and subject to receipt of the Purchaser Required Statutory Approvals, to consummate the transactions contemplated hereby. The execution, delivery and performance by Purchaser of this Agreement and the consummation by Purchaser of the transactions contemplated hereby have been duly and validly authorized by all requisite company action on the part of Purchaser, and no other company proceedings or approvals on the part of Purchaser are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Purchaser and, assuming the due authorization, execution and delivery hereof by each other Party, constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as limited by Laws affecting the enforcement of creditors' rights generally or by general equitable principles.

4.3 Non-contravention. Except as set forth in Schedule 4.3 of the Purchaser Disclosure Schedules, the execution and delivery of this Agreement by Purchaser do not, and the consummation of the transactions contemplated hereby will not, result in any Violation, or result in the creation of any Lien upon any of the properties or assets of Purchaser, pursuant to any provision of (a) the Organizational Documents of Purchaser; (b) subject to obtaining the third-party Consents set forth in Schedule 4.3 of the Purchaser Disclosure Schedules (the "Purchaser Required Consents"), any lease, mortgage, indenture, note, bond, deed of trust or other instrument or agreement of any kind to which Purchaser is a party or by which Purchaser may be bound; or (c) subject to obtaining the Purchaser Required Statutory Approvals, any Law, Permit or Governmental Order applicable to Purchaser, other than, in the case of clauses (a), (b) and (c), for any such Violation or Lien which would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.4 Statutory Approvals. Except for the filings or approvals (a) set forth in Schedule 4.4 of the Purchaser Disclosure Schedules (the "Purchaser Required Statutory Approvals") and (b) as may be required due to the regulatory or corporate status of Seller or any of the Acquired Companies, no Consent of any Governmental Entity is required to be made or obtained by Purchaser in connection with the execution and delivery of this Agreement or the consummation by Purchaser of the transactions contemplated hereby, except those which the failure to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse

Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.5 Ownership of Certain Assets. Schedule 4.5 of the Purchaser Disclosure Schedules sets forth any ownership interests in any generating facilities, transmission and distribution (T&D) assets or power generating assets, as well as in any assets or businesses in the trunk transmission sector, held by Purchaser or its Affiliates in Brazil.

4.6 Financing; Solvency.

(a) Purchaser has sufficient cash, credit facilities or other financing sources available, and will have sufficient cash, credit facilities or other financing sources available at the Closing, to pay the Purchase Price and all related fees and expenses, in each case in United States dollars, and otherwise to effect all other transactions contemplated by this Agreement (the "Financing Arrangements"). Notwithstanding anything contained in this Agreement to the contrary, Purchaser expressly acknowledges that its obligations hereunder are not conditioned in any manner upon Purchaser or any of its Affiliates obtaining any financing.

(b) After giving effect to the transactions contemplated by this Agreement, including the Financing Arrangements and the payment of the Purchase Price, any other repayment or refinancing of existing indebtedness contemplated in this Agreement, payment of all amounts required to be paid in connection with the consummation of the transactions contemplated hereby, and payment of all related fees and expenses, and assuming that all of the representations and warranties of Seller and the Company contained in this Agreement are true and correct, Purchaser will be Solvent, both as of the Closing Date and immediately after the consummation of the transactions contemplated hereby. For the purposes of this Agreement, the term "Solvent" when used with respect to any Person, means that, as of any date of determination, (i) the amount of the "fair saleable value" of the assets of such Person will, as of such date, exceed (A) the sum of the value of all "Liabilities of such Person, including contingent and other Liabilities" as of such date, and the capital of such Person, as computed in accordance with applicable Law as of such date, as such quoted terms are generally determined in accordance with applicable Laws governing determinations of the insolvency of debtors, and (B) the amount that will be required to pay the probable Liabilities of such Person on its existing debts (including contingent and other Liabilities) as such debts become absolute and mature, (ii) such Person will not have, as of such date, an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged following such date, and (iii) such Person will be able to pay its Liabilities, including contingent and other Liabilities, as they mature. For purposes of this definition, the phrases "not have an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged" and "able to pay its Liabilities, including contingent and other Liabilities, as they mature" mean that such Person will be able to generate enough cash

from operations, asset dispositions or refinancing, or a combination thereof, to meet its obligations as they become due.

4.7 Litigation. Except as set forth in Schedule 4.7 of the Purchaser Disclosure Schedules, there is no Action pending or, to the Knowledge of Purchaser, threatened against Purchaser or any of its Subsidiaries or affecting any of their respective assets or properties that, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement. Subject to obtaining the Purchaser Required Statutory Approvals, there are no Governmental Orders of or by any Governmental Entity applicable to Purchaser or any of its Subsidiaries, except for such that would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.8 Investment Intention; Sufficient Investment Experience; Independent Investigation. Purchaser is acquiring the Company Shares for its own account and not with a view to their sale or distribution in violation of applicable securities Laws; provided, however, for the avoidance of doubt, Purchaser may transfer, assign or sell Company Shares to co-investors after the Closing. Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the Company and the merits and risks of an investment in the Company Shares. Purchaser has been given adequate opportunity to examine all documents provided by, conduct due diligence and ask questions of, and to receive answers from, Seller, the Company and their respective Representatives concerning the Company and Purchaser's investment in the Company Shares. Purchaser has, among other things, had full access to the Virtual Data Room and received the Seller Disclosure Schedules. Purchaser has also received certain projections and other forecasts, including projected financial statements, cash flow items, capital expenditure budgets and certain business plan information, and acknowledges that (a) there are uncertainties inherent in attempting to make such projections and forecasts and, accordingly, it is not relying on them, (b) Purchaser is familiar with such uncertainties and is taking full responsibility for making its own evaluation of the adequacy and accuracy of all such projections and forecasts, (c) Purchaser has no claim under this Agreement against anyone with respect to the accuracy of such projections and forecasts, and (d) neither Seller nor the Company nor any other Person has made any representation or warranty with respect to such projections and forecasts. Purchaser acknowledges and affirms that it has completed to its satisfaction its own independent investigation, analysis and evaluation of the Acquired Companies, that it has made all such reviews and inspections of the businesses, assets, Liabilities, results of operations and condition (financial or otherwise) of the Acquired Companies as it has deemed necessary or appropriate, and that in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby it has relied solely on its own independent investigation, analysis and evaluation of Seller's representations and warranties set forth in Article II and the Company's representations and warranties set forth in Article III.

Nothing herein shall prohibit or prevent Purchaser from bringing claims for actual and intentional fraud against Seller.

4.9 Brokers and Finders. Purchaser has not entered into any agreement or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, except Merrill Lynch, Pierce, Fenner & Smith Incorporated, whose fees and expenses will be paid by Purchaser in accordance with Purchaser's agreement with such firm.

4.10 Compliance with Laws. Except as set forth in Schedule 4.10 of the Purchaser Disclosure Schedules, since December 31, 2013, neither Purchaser nor any of its Affiliates has been given written notice by any Governmental Entity of, or been charged in writing by any Governmental Entity with, any violation of, or, to the Knowledge of Purchaser, is in violation of, or is under investigation with respect to any violation of, any Law or Governmental Order, except, in each case, for violations which would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement. Except as would not, individually or in the aggregate, reasonably be expected to have a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement, Purchaser and each of its Subsidiaries is in compliance with (a) the USA PATRIOT Act of 2001, as amended, and any rules and regulations promulgated thereunder, (b) the Foreign Corrupt Practices Act of 1977, as amended, and any rules and regulations promulgated thereunder, (c) the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and legislation implementing such Convention, (d) the United Kingdom Bribery Act of 2010, as amended, and any rules and regulations promulgated thereunder, and (e) the Brazilian anticorruption law (Law 12,846/13), and any rules and regulations promulgated thereunder.

4.11 No Other Representations and Warranties. Except for the representations and warranties contained in this Article IV, neither Purchaser nor any Person acting on behalf of Purchaser makes any representation or warranty, express or implied, under this Agreement. Purchaser acknowledges and agrees that, except as expressly set forth in Article II and Article III, neither Seller nor the Company nor any of their Affiliates has made any representation or warranty, express or implied, to Purchaser or any of its Affiliates in connection with this Agreement. Without limiting the generality of the foregoing, and except as expressly set forth in Article II and Article III, (a) Purchaser acknowledges and agrees that neither Seller nor the Company nor any of their Affiliates has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Seller or its Affiliates made available to Purchaser, and (b) neither Seller nor the Company nor any other Person shall be subject to any Liability to Purchaser,

or any other Person, as a result of Seller having made available to Purchaser any such information, including in the Virtual Data Room, management presentations (formal or informal), or in any other form in connection with the Transaction. Without limiting the foregoing, neither Seller nor the Company nor any of their Affiliates makes any representation or warranty to Purchaser with respect to any financial projection or forecast relating to the Acquired Companies. Nothing herein shall prohibit or prevent Purchaser from bringing claims for actual and intentional fraud against Seller.

ARTICLE V

COVENANTS

5.1 Conduct of Business.

(a) After the date hereof and prior to the Closing or earlier termination of this Agreement, except as set forth in Schedule 5.1 of the Seller Disclosure Schedules and except (i) as contemplated in or required by this Agreement, (ii) as contemplated by or in connection with the Restructuring Transactions, if any, (iii) as is required to comply with any Company Material Contract disclosed to Purchaser, (iv) in connection with any commercially reasonable actions taken in response to an operational emergency (provided that Seller shall give prompt notice of any such emergency and actions to Purchaser, and provided, further, that Seller shall use its commercially reasonable efforts and shall cause the Acquired Companies to use their respective commercially reasonable efforts to minimize losses in connection with such emergency and related actions), (v) for the declaration and payment of any cash dividends or any cash distributions from any Acquired Company to its equity holders prior to the Deemed Closing Time, provided that the Acquired Companies shall have an aggregate amount of cash at the Deemed Closing Time and at the Closing equal to at least \$100,000,000, (vi) as required by applicable Law, or (vii) so long as permitted by applicable Law, to the extent Purchaser shall otherwise consent, which consent shall not be unreasonably withheld, conditioned or delayed, Seller shall, and Seller shall cause each of the Acquired Companies to:

(i) conduct its business in the ordinary and usual course in substantially the same manner as heretofore conducted and use commercially reasonable efforts to preserve its business organization and reputation intact and maintain its existing relations and goodwill with customers, suppliers, creditors, lessors, employees and business associates;

(ii) not (A) amend its Organizational Documents, other than amendments which are ministerial in nature or immaterial; (B) split, combine or reclassify its outstanding Equity Interests; or (C) repurchase, redeem or otherwise acquire any shares of its capital stock or Equity Interests or any securities convertible into or exchangeable or exercisable for any shares of its capital stock or Equity Interests;

(iii) not authorize, issue, sell, or dispose of any shares of, or securities convertible into or exchangeable or exercisable for, or options, warrants, “phantom stock” rights, calls, commitments or rights of any kind to acquire, any shares of its capital stock or Equity Interests, other than any issuance, sale or disposal solely among any wholly-owned Acquired Companies;

(iv) not (a) incur any Indebtedness, other than borrowings under existing credit facilities that are necessary to fund working capital in a manner consistent with the Acquired Companies’ ordinary working capital requirements in the ordinary course of business or (b) enter into any Contracts related to Indebtedness, including any refinancings other than refinancings of existing credit facilities for the purpose of incurring additional Indebtedness that is necessary to fund working capital in a manner consistent with the Acquired Companies’ ordinary working capital requirements in the ordinary course of business;

(v) not make, or make any commitments for, capital expenditures in excess of the Relevant Interim Period Amount individually or the Relevant Aggregate Interim Period Amount in the aggregate;

(vi) not make any acquisition of, or investment in, assets or stock or Equity Interests of any other Person in excess of the Relevant Interim Period Amount individually or the Relevant Aggregate Interim Period Amount in the aggregate;

(vii) not sell, lease, license, encumber or otherwise dispose of any of its assets in excess of the Relevant Interim Period Amount individually or the Relevant Aggregate Interim Period Amount in the aggregate, or encumber any material assets with any Liens, other than Permitted Liens;

(viii) not terminate, establish, adopt, enter into, make any new grants or awards of stock-based compensation or other benefits under, amend or otherwise materially modify any Non-U.S. Benefit Plan, or solely with respect to any directors, officers or employees of an Acquired Company, any Company Plan set forth on Schedule 3.12(c) of the Company Disclosure Schedules, or increase the salary, wage, bonus or other compensation of any directors, officers or employees of any Acquired Company, except (A) for increases to any individuals who are not directors or officers of an Acquired Company in the ordinary course of business consistent with past practice including increases in connection with ordinary course periodic performance reviews for non-officers that do not exceed five percent (5%) individually or three percent (3%) in the aggregate, (B) for actions reasonably determined to be necessary or appropriate for administrative reasons or to satisfy applicable Law or existing contractual obligations under Company Plans or (C) for annual

grants or awards to directors, officers and employees of the Acquired Companies who are current participants under existing Company Plans, in the ordinary course of business and in such amounts and on such terms as consistent with past practice, provided that such grants or awards are under a Seller Plan and that neither Purchaser or any Acquired Company will have any liability with respect to such awards or grants before, on or after the Closing;

(ix) not take any affirmative action to (A) accelerate the vesting of or lapsing of restrictions with respect to any stock-based compensation or other long-term incentive compensation under any Company Plan with respect to any director, officer or employee of any Acquired Company; (B) enter into, amend or terminate any collective bargaining agreement or other agreement with a labor union, works council or similar organization; (C) materially change any actuarial or other assumptions used to calculate funding obligations with respect to any Company Plan that is required by applicable Law to be funded or change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP or applicable Law; (D) forgive any loans, or issue any loans (other than routine travel or other business expense advances issued in the ordinary course of business), to any of its directors, officers, contractors or employees; or (E) hire or engage any new employee or consultant or terminate the employment or engagement, other than for cause, of any employee or consultant if such employee or consultant will receive annual base compensation in excess of \$100,000;

(x) not change any material financial accounting method, policy, practice or election, except as required by GAAP;

(xi) not engage in, or adopt a plan of, a complete or partial liquidation, dissolution, winding up, merger, consolidation, restructuring, recapitalization or other reorganization (other than the Transaction);

(xii) (A) maintain, or cause to be maintained, in full force and effect, any self-insurance arrangements maintained by Seller or the Non-Company Affiliates for the benefit of the Acquired Companies set forth in Schedule 3.20(b) of the Seller Disclosure Schedules and (B) maintain insurance with financially responsible or nationally recognized insurers in such amounts and against such risks and losses as are consistent with the insurance maintained by it in the ordinary and usual course of business with respect to any of the Acquired Companies with respect to which self-insurance arrangements are not maintained by Seller or the Non-Company Affiliates as are set forth in Schedule 3.20(b) of the Seller Disclosure Schedules;

(xiii) not amend or modify, extend or terminate (partially or completely) in any material respect, or enter into any material waivers in connection with, any Company Material Contract or Affiliate Contract (other than routine waivers in the normal course of business) or any Contract that if in existence on the date hereof would have been required to be disclosed on Schedule 3.15(a) or 3.19(a)(i) of the Seller Disclosure Schedules;

(xiv) not enter into any power purchase agreement relating to the post-Closing period with a term longer than one (1) year and that involves more than four percent (4%) of the Acquired Companies' aggregate portfolio, measured by megawatts;

(xv) not settle or compromise any Actions that (a) exceed the Relevant Interim Period Amount, individually, or the Relevant Aggregate Interim Period Amount, in the aggregate or (b) seek to impose any material non-monetary obligations on the Acquired Companies;

(xvi) other than in the ordinary course of business or as required by applicable Law, not (A) make, modify or revoke any Tax election, (B) settle or compromise any claim relating to Taxes, or (C) amend any material Tax Return, in each case, to the extent that doing so would reasonably be expected to result in a material incremental cost to Purchaser or any of the Acquired Companies after the Closing; or

(xvii) not commit in writing to take any of the actions set forth in subsections (i)-(xvi) of this Section 5.1(a).

(b) Nothing contained in this Agreement shall give Purchaser, directly or indirectly, any right to control or direct any Acquired Company's operations of its business prior to the Closing. Prior to the Closing, Seller and each of the Acquired Companies shall exercise, consistent with the other terms and conditions of this Agreement, complete control and supervision over their respective businesses.

(c) Notwithstanding the foregoing, with respect to the matters set forth in Section 5.1(a) which are above the Consultation Threshold and below the Relevant Interim Period Amount, Seller shall inform reasonably promptly and consult with Purchaser with respect to any such matters.

5.2 Regulatory Approvals.

(a) Regulatory Approvals. Each Party shall cooperate and use reasonable best efforts to prepare and file as soon as practicable (but in no event more than thirty (30) days following the date hereof) all applications, notices, petitions, filings and other documents necessary

to obtain, and shall use reasonable best efforts to obtain, the Required Statutory Approvals. The Parties further agree to use reasonable best efforts (i) to take any act, make any undertaking or receive any clearance or approval required by any Governmental Entity or applicable Law and (ii) to satisfy any conditions imposed by any Governmental Entity in all Final Orders, in each case in order to consummate the transactions contemplated hereby as soon as reasonably possible. Each of the Parties shall (i) respond as promptly as practicable to any inquiries or requests received from any Governmental Entity for additional information or documentation, (ii) provide such information with respect to such Party as may be necessary to obtain the Required Statutory Approvals and (iii) not enter into any agreement with any Governmental Entity that would reasonably be expected to adversely affect the Parties' ability to consummate the transactions contemplated by this Agreement, except with the prior consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed). Each of the Parties shall use reasonable best efforts to avoid or eliminate each and every impediment under any antitrust, competition, or trade or energy regulation Law that may be asserted by any Governmental Entity with respect to the transactions contemplated hereby so as to enable the Closing Date to occur as soon as reasonably possible. The actions required by the immediately preceding sentence shall include proposing, negotiating, committing to and effecting, by consent decree, hold separate order or otherwise, the sale, divestiture or disposition of such assets or businesses of Purchaser or its Affiliates (including their respective Subsidiaries), and agreeing to such limitations on its or their conduct or actions as may be required in order to obtain the Required Statutory Approvals as soon as reasonably possible, to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order in any suit or proceeding, which would otherwise have the effect of preventing or delaying the Closing Date, and defending through litigation on the merits, including appeals, any claim asserted in any court by any Person.

(b) Communications. Each Party shall (i) promptly furnish each other Party with copies of all filings, notices, correspondence or other written communications from or to, and inform one another of any communications received from, any Governmental Entity, (ii) promptly make any appropriate or necessary subsequent or supplemental filings, (iii) cooperate in the preparation of such filings as is reasonably necessary and appropriate, and (iv) permit each other Party reasonable opportunity to review in advance, and consider in good faith any comments to, any proposed written communication between such Party and any Governmental Entity. If a Party or any of its Affiliates intends to participate in any substantive meeting or discussion with any Governmental Entity with respect to the transactions contemplated by this Agreement or any filings, investigations or inquiries made in connection with the transactions contemplated by this Agreement, it will give the other Parties reasonable prior notice of and, to the extent permitted by such Governmental Entity, an opportunity to participate in, such meeting or discussion. This Section 5.2(b) does not relate to Tax matters, which are instead the subject of Section 5.13.

5.3 Required Consents. Seller and the Company, on the one hand, and Purchaser, on the other hand, agree to use reasonable best efforts to obtain the Company Required Consents and the Purchaser Required Consents, respectively, and to cooperate with each other in connection with the foregoing.

5.4 Access; Confidentiality.

(a) Subject to applicable Law and Governmental Orders, Seller shall, and shall cause each of the Acquired Companies to, during the period from and after the date hereof until the Closing, upon reasonable advance notice, (i) afford Purchaser and its authorized directors, officers, employees, accountants, counsel, financing sources and lenders, investment bankers and consultants (collectively, "Representatives") reasonable access, during normal business hours, in the presence of at least one (1) Representative of Seller, to all officers, employees, properties, books and records (with respect to U.S. Tax books and records, only to the extent solely and directly related to the Acquired Companies), Contracts and other documents of the Acquired Companies, (ii) furnish to Purchaser such financial and operating data and other information relating to the Acquired Companies as Purchaser may reasonably request (including such accounting and auditing information as may be necessary to prepare financial statements), and (iii) instruct the appropriate Acquired Company employees to cooperate reasonably with Purchaser and its Representatives in connection with the foregoing; provided, however, that, in each case, such access, furnishing of information and cooperation shall not (w) unreasonably disrupt any Acquired Company's operations, (x) require any Acquired Company to permit any inspection or to disclose any information that, in the reasonable judgment of such Acquired Company, would result in the disclosure of any trade secrets or violate any of its obligations to third parties with respect to confidentiality (so long as the Seller notifies Purchaser of such confidentiality requirement and used its commercially reasonable efforts to obtain a waiver thereof or agree to alternative means of disclosure), (y) require any Acquired Company to disclose any attorney-client privileged information of any Acquired Company (so long as the Seller has used commercially reasonable efforts to agree to alternative means of disclosure), or (z) include any sampling of environmental media or building materials or (z) require Seller or any of its Affiliates (including the Acquired Companies) to disclose any proprietary information of or regarding Seller or its Affiliates (excluding the Acquired Companies). All requests for information made pursuant to this Section 5.4(a) shall be directed to such Persons designated by Seller in writing from time to time. All such information shall be governed by the terms of the Confidentiality Agreement. Purchaser shall not, and shall cause its Representatives not to, use any information obtained pursuant to this Section 5.4(a) (as well as any other confidential information provided to Purchaser or any of its Representatives by or on behalf of Parent, Seller or any Acquired Company prior to the date hereof) for any purpose unrelated to the transactions contemplated by this Agreement.

(b) Purchaser shall indemnify and hold harmless Seller, its Affiliates and their respective Representatives for any and all Liabilities, Losses, costs or expenses incurred by Seller, its Affiliates or their respective Representatives arising out of the access rights under this Section 5.4, including any claims by any of Purchaser's Representatives for any injuries or property damage while present on the Real Property.

(c) Notwithstanding anything to the contrary in this Section 5.4, neither Seller nor the Acquired Companies shall be obligated to disclose to Purchaser any information (x) the disclosure of which could reasonably be expected to (i) violate any applicable Law, (ii) result in the loss of attorney-client privilege with respect to such information (so long as Seller has used commercially reasonable efforts to consider alternative means of disclosure), or (iii) result in a breach of an agreement to which Seller or any Acquired Company or any of their respective Affiliates is a party (so long as Seller notifies Purchaser of such confidentiality requirement and used its commercially reasonable efforts to obtain a waiver thereof and to agree to alternative means of disclosure), or (y) that constitutes any trade secret or confidential information of third parties (so long as Seller notifies Purchaser of the confidentiality of such information and used its commercially reasonable efforts to obtain a waiver thereof or agree to alternative means of disclosure)

(d) From and for a period of two (2) years after the Closing, Seller shall, and shall cause its Affiliates and its or their respective Representatives to, hold in confidence any and all information concerning Purchaser and the Acquired Companies, and their respective Affiliates, except to the extent that such information (i) has come within the public domain through no action or omission of the Seller or its Affiliates or Representatives in violation of clause (iii) hereof; (ii) is later acquired by Seller or its Affiliates after the Closing from another source if the receiving Person is not aware that such source is under an obligation to Purchaser or the Acquired Companies or their respective Affiliates to keep such documents and information confidential or (iii) is disclosed in connection with Parent's reporting obligations under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. If Seller or any of its Affiliates or their respective Representatives are compelled to disclose any information subject to such confidentiality obligations by Law or Governmental Order or in an Action, Seller shall, to the extent legally permissible, give Purchaser prompt notice of such disclosure to permit Purchaser to seek a protective order should it so determine. At any time that such protective order or remedy has not been obtained, Seller or such Affiliate or Representative may disclose only that portion of such information which such Person is legally required to disclose or of which disclosure is required to avoid sanction for contempt or any similar sanction, and Seller shall exercise its commercially reasonable efforts to obtain assurance that confidential treatment will be accorded to such information so disclosed.

(e) For a period of twelve (12) months after the Closing Date, Seller shall not and shall cause its Affiliates not to, directly or indirectly, employ, engage, hire, recruit or solicit

for employment, recruitment, engagement or hire (whether as an employee, consultant or otherwise) any Continuing Employee; provided that, Seller shall not be precluded from employing, soliciting, recruiting or hiring any such Continuing Employee (i) who has been terminated by the Company or any of its Affiliates at least six (6) months prior to the commencement of employment or hiring discussion with such Continuing Employee, or (ii) who responds to a general or public solicitation not targeted at Continuing Employees. Notwithstanding the foregoing, Seller and its Affiliates shall not be restricted from engaging in general or public solicitations or advertising not targeted at any such Continuing Employees.

(f) From and after the Closing, Purchaser and Seller shall, and shall cause their respective Representatives, upon reasonable notice, to (i) furnish to each other, and their respective Representatives, such financial and operating data and other information relating to the Acquired Companies (including books and records of the Acquired Companies) as is reasonably necessary for planning any systems conversions, process changes, litigation, employee benefits, environmental, financial reporting and accounting matters, or the preparation and filing of any required regulatory or other filings, responses or reports and information relating to any Action or as required by any Law or Governmental Order, and (ii) make available to each other, and their respective Representatives, their respective directors, officers and employees as may reasonably be requested to cooperate in connection with the foregoing; provided that such access shall not unreasonably interrupt Seller's or the Acquired Companies' businesses; provided, further, that with respect to any claim under this Agreement, disclosure shall be governed by applicable rules of evidence. After the Closing, Purchaser shall cause the Acquired Companies to preserve such information and the books and records for at least eight (8) years after the Closing Date. This Section 5.4(f) does not relate to Tax matters, which are instead the subject of Section 5.13.

5.5 Publicity. Each of the Parties shall be entitled to issue a press release in connection with entry into in this Agreement, provided that they shall consult with each other before issuing any such press release. Thereafter, until the Closing, none of Seller, the Company or Purchaser or any of their respective Affiliates shall, without the express written approval of Seller, the Company and Purchaser (which approval shall not be unreasonably withheld, conditioned or delayed), make any press release or other public announcements concerning the transactions contemplated by this Agreement, except as and to the extent that any such Party shall be so obligated by applicable Law, or pursuant to any such listing agreement or rules of any national securities exchange, in which case the other Parties shall be advised and the Parties shall use commercially reasonable efforts to cause a mutually agreeable release or announcement to be issued.

5.6 Employee Matters.

(a) For a period of twelve (12) months following the Closing Date, Purchaser and the Company shall cause the employees of the Company or any Subsidiary of the

Company who remain in the employment of Purchaser, the Company, their Subsidiaries or their respective successors immediately following the Closing (the “Continuing Employees”) to receive compensation, employee benefits and severance protection (other than equity compensation) that are each substantially comparable in the aggregate to the compensation, employee benefits and severance protection (including statutory severance and the Acquired Companies’ past practice of providing market-based severance through benchmarking) provided to such employees immediately prior to the Closing. Nothing contained herein shall be construed as requiring Purchaser, the Company or any Subsidiary of the Company to continue or to cause the continuance of any specific employee benefit plans or to continue or cause the continuance of the employment of any specific person.

(b) With respect to each benefit plan of Purchaser or its Subsidiaries in which a Continuing Employee participates after the Closing, for purposes of determining eligibility, vesting and amount of benefits, including severance benefits and paid time off entitlement (but not for pension benefit accrual purposes), Purchaser shall cause service with the Company and its Subsidiaries (or predecessor employers to the extent the Company or its Subsidiaries provided past service credit) to be treated as service with Purchaser and its Subsidiaries; provided that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits or to the extent that such service was not recognized under an analogous Company Plan.

(c) With respect to any welfare benefit plan maintained by Purchaser or its Subsidiaries in which Continuing Employees are eligible to participate after the Closing, Purchaser shall, and shall cause the Company and its Subsidiaries to use commercially reasonable efforts to, (i) waive all limitations as to preexisting conditions and exclusions with respect to participation and coverage requirements applicable to such employees to the extent such conditions and exclusions were satisfied or did not apply to such employees under the Company Plans prior to the Closing, and (ii) provide each Continuing Employee with credit for any co-payments and deductibles paid prior to the Closing in satisfying any analogous deductible or out-of-pocket requirements to the extent applicable under any such plan.

(d) Purchaser shall, and shall cause the Acquired Companies to, honor the terms of each CBA until such CBA otherwise expires pursuant to its terms or is modified by the parties thereto.

(e) Notwithstanding anything in this Agreement to the contrary, no Acquired Company will assume or have any liability under any Company Plan that is not a Non-US Benefit Plan (a “Seller Plan”) at or following the Closing and Seller shall indemnify and hold harmless Purchaser or any Acquired Company for any claim or liability with respect to any Seller Plan.

(f) Nothing contained in this Section 5.6 shall be construed to (i) establish, amend or modify any benefit or compensation plan, program, agreement, contract, policy or arrangement, (ii) limit the ability of Purchaser, the Company or any of their respective Subsidiaries to amend, modify or terminate any benefit or compensation plan, program, agreement, contract, policy or arrangement at any time assumed, established, sponsored or maintained by any of them or (iii) create any third-party beneficiary rights in any employee of the Company or any of its Subsidiaries, any beneficiary or dependent thereof, or any collective bargaining representative thereof, with respect to the compensation, terms and conditions of employment and/or benefits that may be provided to any Continuing Employee by Purchaser or the Company or under any benefit plan which Purchaser or the Company may maintain.

(g) Notwithstanding anything to the contrary contained in this Agreement, Seller shall be solely responsible for any and all amounts payable under the Company Plans set forth on Schedule 3.12(c) of the Seller Disclosure Letter to any director, officer, employee or independent contractor of the Acquired Companies as a result of the consummation of the proposed transactions, whether arising before, on or after the Closing Date.

5.7 Directors' and Officers' Indemnification and Insurance.

(a) The Company shall cause each of the Acquired Companies to continue all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions that have occurred or will occur at or prior to the Closing now existing in favor of the current or former directors and officers of any of the Acquired Companies as provided in the Organizational Documents of the Acquired Companies or any contract between any of such directors or officers and any Acquired Company, in each case, as in effect on the date hereof.

(b) In the event that any of the Acquired Companies or any of their respective successors or assigns (i) consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties or other assets to any Person, then, and in each such case, the Company shall cause proper provision to be made, to the extent required, so that the successors and assigns of any Acquired Company shall expressly assume the obligations set forth in this Section 5.7.

(c) The provisions of this Section 5.7 are intended to be for the benefit of, and will be enforceable by, each Indemnified Party and his or her heirs and Representatives, and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise.

5.8 Termination of Affiliate Contracts; Intercompany Indebtedness.

(a) Except as set forth in Schedule 5.8(a) of the Seller Disclosure Schedules and except as agreed to in writing by Seller and Purchaser, Seller and its Affiliates shall take such action as may be necessary to terminate all Affiliate Contracts, including any agreements or understandings (written or oral) with respect thereto, prior to, or simultaneously with, the Closing, without any continuing Liability to or obligation of Purchaser or the Acquired Companies after the Closing. Notwithstanding the foregoing, other than as set forth in Section 5.22, in the absence of a written agreement, the provision of any services by Seller to any Acquired Company from and after the Closing, which services may be provided by Seller in its sole discretion, shall be for the convenience, and at the expense, of Purchaser, upon mutually agreed terms.

(b) Immediately prior to the Closing, Seller shall cause the Acquired Companies to pay in immediately available funds such amounts to, or as directed by, the Subsidiaries of Parent to which such amounts are owed to repay all of the Intercompany Indebtedness, including the Intercompany Indebtedness set forth on Schedule 5.8(b) of the Seller Disclosure Schedules, outstanding at the Closing, if any, and Seller shall discharge, or cause the Subsidiaries of Parent to which such amounts are owed to discharge, Liens related to such Intercompany Indebtedness, if any, with evidence reasonably acceptable to Purchaser, without any continuing Liability to or obligation of Purchaser or the Acquired Companies after the Closing.

5.9 Use of Certain Names.

(a) As soon as reasonably practicable, but in any event within forty (40) days following the Closing, Purchaser shall, and shall cause each Acquired Company to, cease using as trademarks or source identifiers of Purchaser's business all trademarks, trade names, logos and symbols or other indicia of origin owned by Seller or the Non-Company Affiliates, including those set forth in Schedule 5.9(a) of the Seller Disclosure Schedules (collectively, the "Seller Marks"), including eliminating the Seller Marks from the Real Property and the material assets of the Project Companies, and disposing of any unused stationery and literature of the Acquired Companies bearing the Seller Marks. Purchaser acknowledges and Seller represents that, as between the Parties, the Seller Marks are owned exclusively by Seller or the Non-Company Affiliates, and, except to the extent expressly permitted by this Section 5.9(a), from and after the Closing, Purchaser shall not, and shall cause each Acquired Company and their Affiliates not to, use the Seller Marks that have not been expressly conveyed to Purchaser or an Acquired Company, and Purchaser acknowledges that it, its Affiliates and the Acquired Companies have no rights whatsoever to use the Seller Marks. Without limiting the foregoing:

(i) within thirty (30) days after the Closing Date, Purchaser shall cause each Acquired Company whose name contains any of the Seller Marks to make all filings required by the Governmental Entities to change its name to a name that does not contain any of the Seller Marks and to amend all of the organizational documents of such

Acquired Company to eliminate such Seller Marks from the name of such Acquired Company; and

(ii) within forty (40) days after the Closing Date, Purchaser shall provide evidence to Seller in a format that is reasonably acceptable to Seller that Purchaser has made all filings required by the Governmental Entities pursuant to subsection (a)(i) above and has provided notice to all applicable Governmental Entities and all counterparties to the Company Material Contracts regarding the sale of the Acquired Companies and the new address for notice purposes.

(b) In connection with any use of the Seller Marks by Purchaser or the Acquired Companies to the extent expressly permitted pursuant to this Section 5.9, Purchaser shall and shall cause each Acquired Company to comply with, in all respects, all of Seller's and the Non-Company Affiliates' quality control requirements, policies and guidelines in effect at such time that have been provided to Purchaser or any Acquired Company as of the Closing.

5.10 Notification of Certain Matters. Seller and the Company, on the one hand, and Purchaser, on the other hand, shall promptly notify each other of the occurrence or non-occurrence of any fact or event which would be reasonably likely to cause any condition set forth in Article VI not to be satisfied; provided that no such notification, nor the obligation to make such notification, shall affect the representations, warranties or covenants, or the conditions to the obligations of, the applicable party.

5.11 Financing.

(a) Notwithstanding anything contained in this Agreement to the contrary, Purchaser expressly acknowledges and agrees that Purchaser's obligations hereunder are not conditioned in any manner whatsoever upon Purchaser obtaining any financing, and any failure to fulfill any obligation hereunder arising from the failure of Purchaser to obtain financing or the unavailability of such financing shall be deemed to be intentional for purposes hereof. Purchaser shall keep Seller reasonably apprised of all developments or changes relating to the Financing Arrangements and the financing contemplated thereby. In the event that the Financing Arrangements shall cease to be in full force and effect at any time or the lenders party thereto shall indicate any unwillingness to provide the financing contemplated thereby, or for any reason Purchaser otherwise no longer believes in good faith that it will be able to obtain the financing contemplated thereby, then Purchaser shall promptly notify Seller and use reasonable best efforts to obtain replacement financing arrangements or commitment letters as soon as reasonably practicable.

(b) Prior to the Closing, Seller shall, and shall cause the Acquired Companies and their respective Representatives to, provide all cooperation reasonably requested by Purchaser in connection with the financing contemplated by the Financing Arrangements and

to use their respective commercially reasonable efforts (i) to cause appropriate officers and employees of the Acquired Companies to be available on a customary basis to meet with prospective lenders, financing sources, ratings agencies and investors in presentations, meetings, and due diligence sessions, (ii) to assist with the preparation of disclosure documents, bank information memoranda, rating agency presentations, projections and similar documents in connection therewith, (iii) to furnish Purchaser and its financing sources with financial statements and financial and other pertinent information regarding the Company and its Subsidiaries as may be reasonably requested by Purchaser to consummate the financing contemplated by the Financing Arrangements, (iv) to execute and deliver any definitive financing documentation, security documents, hedging arrangements, customary certificates, legal opinions or other documents as may be reasonably requested by Purchaser in connection with the Financing Arrangements, in each case which will become effective only on or after the Closing, (v) to take such reasonable actions as may be required to facilitate the pledge of collateral to secure the Financing Arrangements (including cooperation in connection with the payoff of existing Indebtedness, if any such pay-off will be effectuated, and the release of Liens related thereto), (vi) to obtain all waivers, consents and approvals from other parties to Contracts and Liens to which any of the Acquired Companies is a party or by which any of them or their assets or properties is bound or subject, (vii) to provide all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, and (viii) to take all other actions necessary to permit the consummation of the Financing Arrangements; provided that, such requested cooperation does not unreasonably interfere with the ongoing operations of the Acquired Companies.

5.12 Restructuring Transactions. Seller shall cause the Company to consummate the Restructuring Transactions, if any, prior to the Closing; provided that, all documentation effectuating the Restructuring Transactions shall be in form and substance reasonably satisfactory to Purchaser.

5.13 Tax Matters.

(a) Transfer Taxes. All Transfer Taxes, if any, arising out of or in connection with the transactions contemplated by this Agreement shall be shared one-half by Seller and one-half by Purchaser. All necessary documentation and Tax Returns with respect to such Transfer Taxes shall be prepared and filed by the party required under applicable Law to file such Tax Returns. If required by applicable Law, Seller and Purchaser shall, and shall cause their respective Affiliates to, cooperate in preparing and filing, and, if required by applicable Law, join in the execution of, any such Tax Returns.

(b) Tax Returns. Except as otherwise provided in Section 5.13(a):

(i) Seller shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns that are required to be filed by any Acquired Company on or prior to the Closing Date. With respect to any Tax Return of the Acquired Companies for a Pre-Closing Tax Period that is due after the Closing Date, Seller shall prepare such Tax Return in a manner consistent with past practice (unless otherwise required by applicable Law) and shall provide Purchaser a copy of such Tax Return no later than fifteen (15) days prior to the due date for the filing of such Tax Return (including extensions), and Purchaser shall execute and file (or cause to be executed and filed) such Tax Return as prepared by Seller. Seller shall pay to the Company no later than three (3) days prior to the due date for the filing of such Tax Return, any amount due and payable on such Tax Return.

(ii) Purchaser shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns that are required to be filed by any Acquired Company for a Straddle Period. Purchaser shall timely remit, or cause to be timely remitted, all Taxes due in respect of such Tax Returns. All such Tax Returns shall be prepared in a manner consistent with past practice, unless otherwise required by applicable Law. Not later than forty-five (45) days prior to the due date for filing of each such Tax Return (including extensions), Purchaser shall provide Seller with a draft copy of such Tax Return for review and comment. If Seller objects to any item on any such Tax Return, it shall, within ten (10) days after delivery of such Tax Return, notify Purchaser in writing that it so objects, specifying with particularity any such item and stating the specific factual or legal basis for any such objection. If a notice of objection shall be so delivered, Purchaser and Seller shall negotiate in good faith and use their commercially reasonable efforts to resolve such items. If Purchaser and Seller are unable to reach such agreement within ten (10) days after receipt by Purchaser of such notice, the disputed items shall be resolved by the Independent Accountants and any determination by the Independent Accountants shall be final, binding and conclusive on the Parties. The Independent Accountants shall resolve any disputed items within twenty (20) days of having the item referred to it pursuant to such procedures as it may require. The costs, fees and expenses of the Independent Accountants shall be borne equally by Purchaser and Seller. For the avoidance of doubt, the preparation and filing of any Tax Return of the Acquired Companies that does not relate to the Pre-Closing Tax Period or the Straddle Period shall be exclusively within the control of Purchaser. Seller shall pay or cause to be paid to the Company, no later than one (1) day prior to the due date for the filing of such Tax Return, the portion of any amount due and payable on such Tax Return that is apportioned to the period deemed to end at the close of the Closing Date (as determined under Section 5.13(c)).

(iii) Purchaser shall not amend, refile or otherwise modify, or cause or permit to be amended, refiled or otherwise modified, any Tax Return filed by any Acquired Company for any Pre-Closing Tax Period. With respect to any Tax Return of an

Acquired Company for a Straddle Period, Purchaser shall be allowed to amend, refile or otherwise modify, or cause or permit to be amended, refiled or otherwise modified any such Tax Return; provided, however, that to the extent any such amendment or modification could reasonably be expected to increase the tax liability of Seller for a Pre-Closing Tax Period or the pre-Closing portion of any Straddle Period, Purchaser shall provide Seller with a draft copy of each such amended Tax Return for review and comment not later than forty-five (45) days prior to the filing thereof. If Seller objects to any item on any such Tax Return that relates to the portion of the Straddle Period deemed to end at the close of the Closing Date ("Pre-Closing Tax Period Items"), it shall, within fifteen (15) days after delivery of such amended Tax Return, notify Purchaser in writing that it so objects, specifying with particularity any such item and stating the specific factual or legal basis for any such objection. If a notice of objection shall be so delivered, Purchaser and Seller shall negotiate in good faith and use their commercially reasonable efforts to resolve such items. If Purchaser and Seller are unable to reach such agreement within ten (10) days after receipt by Purchaser of such notice, the disputed items shall be resolved by the Independent Accountants and any determination by the Independent Accountants shall be final, binding and conclusive on the Parties. The Independent Accountants shall resolve any disputed items within twenty (20) days of having the item referred to it pursuant to such procedures as it may require. The costs, fees and expenses of the Independent Accountants shall be borne equally by Purchaser and Seller.

(c) Straddle Period Tax Liabilities. Where it is necessary for purposes of this Agreement to apportion between Seller and Purchaser the Taxes of or with respect to any Acquired Company for any Straddle Period, such liability shall be apportioned between the period deemed to end at the close of the Closing Date and the period deemed to begin at the beginning of the day following the Closing Date on the basis of an interim closing of the books, except that Taxes (such as real or personal property Taxes, but, for the avoidance of doubt, not income, sales and use, or withholding Taxes) imposed on a periodic basis shall be allocated on a daily basis.

(d) Cooperation on Certain Tax Matters. From and after the Closing, Purchaser, Seller and each of their Affiliates shall furnish or cause to be furnished to each other or to the Acquired Companies, upon request, as promptly as reasonably practicable, such information (including access to books and records relating to Taxes, but only to the extent such books and records are solely and directly related to the Acquired Companies) and assistance relating to the Acquired Companies as is reasonably necessary for (i) the preparation and filing of any Tax Return, amended Tax Return or claim for refund, (ii) the preparation for any audit, examination or other action or proceeding with respect to Taxes and for the prosecution or defense of any action relating to any proposed adjustment or (iii) determining a Liability for Taxes. Such cooperation and information shall include providing copies of all relevant portions of relevant Tax Returns, together with all relevant portions of relevant accompanying schedules, relevant documents relating to rulings

or other determinations by Taxing Authorities and relevant records concerning the ownership and tax basis of property and other relevant information, which any such Party or its Affiliates may possess. From and after the Closing, Purchaser agrees to retain or cause to be retained all books and records held by it or any of its Affiliates (including the Acquired Companies) relating to Taxes of the Acquired Companies for a Pre-Closing Tax Period or Straddle Period for at least seven (7) years after the Closing Date, and to abide by or cause the abidance with all record retention agreements entered into with any Taxing Authority. From and after the Closing, Purchaser agrees to notify Seller at least sixty (60) days before Purchaser or any of its Affiliates transfers, discards or destroys any such books and records after the period set forth in the preceding sentence and, if Seller notifies Purchaser in writing within such sixty-day (60-day) period that it intends to take possession of such books and records, Purchaser and its Affiliates shall allow Seller and any of Seller's Representatives to take possession of such books and records and shall not transfer, discard or destroy such books and records unless Seller notifies Purchaser in writing that it no longer intends to take possession thereof. Purchaser and Seller shall reasonably cooperate with each other in the conduct of any audit, filing of Tax Returns or other proceedings involving any Acquired Company for any Tax purposes and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 5.13.

(e) Audits.

(i) Purchaser shall notify Seller regarding, and within ten (10) Business Days after, the receipt by Purchaser or any of its Affiliates (including the Acquired Companies) of notice of any inquiries, claims, assessments, audits or similar events with respect to Taxes of or with respect to any Acquired Company (any such inquiry, claim, assessment, audit or similar event, a "Tax Matter") to the extent relating to any Pre-Closing Tax Period or the pre-Closing portion of any Straddle Period (as determined under Section 5.13(c)). Seller at its sole expense, shall have the right to control the resolution of any such Tax Matter that relates solely to a Pre-Closing Tax Period; provided that, with respect to any such Tax Matter that could reasonably be expected to adversely affect the Tax liability of Purchaser or any Acquired Company for any Post-Closing Tax Period, including the portion of the Straddle Period that is after the Closing Date, (A) Seller shall defend or prosecute such Tax Matter in good faith, (B) neither Seller nor any of its Affiliates shall enter into any settlement of or otherwise compromise any such Tax Matter without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed, (C) Seller shall promptly inform Purchaser of all developments and events relating to such Tax Matter (including promptly responding to questions and information requests and promptly providing Purchaser with copies of relevant correspondence to or from any Taxing Authorities relating to such Tax Matter), (D) Purchaser or its authorized representatives shall be entitled, at Purchaser's expense, to attend, observe and participate in all conferences, meetings and proceedings relating to such Tax Matter, and (E) Seller

shall, take into account all comments received from Seller with respect to the defense and prosecution of such Tax Matter .

(ii) Purchaser shall control the resolution of any Tax Matter that is not controlled by Seller in accordance with Section 5.13(e)(i) (including any Tax Matter that would otherwise be controlled by Seller in accordance with Section 5.13(e)(i) but with respect to which Seller notifies Purchaser in writing that it is electing not to control); provided, however, that in the case of any Tax Matter with respect to which Seller could reasonably be expected to have liability under this Agreement, (A) Purchaser shall defend or prosecute such Tax Matter in good faith, (B) Purchaser shall not, and shall cause the Acquired Companies not to, enter into any compromise or settlement of any such Tax Matter without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed, (C) Purchaser shall promptly inform Seller of all developments and events relating to such Tax Matter (including promptly responding to questions and information requests and promptly providing Seller with copies of relevant correspondence to or from any Taxing Authorities relating to such Tax Matter), (D) Seller or its authorized representatives shall be entitled, at Seller's expense, to attend, observe and participate in all conferences, meetings and proceedings relating to such Tax Matter, and (E) Purchaser shall take into account all comments received from Purchaser with respect to the defense and prosecution of such Tax Matter.

(f) Carrybacks. Following the Closing Date, Purchaser shall, and shall cause the Acquired Companies to, waive the right to carryback to any Pre-Closing Tax Period, any income Tax losses, credits or similar items attributable to any Acquired Company.

(g) Tax Refunds. Upon receipt, Purchaser shall promptly pay to Seller the amount of any refund, rebate, abatement, reduction or other recovery (whether direct or indirect through a right of set-off or credit) of Taxes of or with respect to any Acquired Company (net of reasonable fees or expenses incurred by Purchaser or the Company or any of its Subsidiaries in obtaining such refund), and any interest received thereon, with respect to any Pre-Closing Tax Period or the pre-Closing portion of any Straddle Period (as determined under Section 5.13(c)) that does not relate to deductions or credits arising with respect to amounts funded by Purchaser. Notwithstanding anything else in this Section 5.13 to the contrary, Purchaser shall not be obligated to pay any such refund under this Section 5.13 to the extent that any such refund results from the carrying back of any net operating loss or other Tax attribute or Tax credit incurred in a taxable period beginning after the Closing Date (including the portion of any Straddle Period beginning after the Closing Date). To the extent a refund against Taxes that gave rise to a payment hereunder is subsequently disallowed or otherwise reduced, Seller shall pay to Purchaser the amount of such disallowed or reduced refund against Taxes (net of reasonable fees or expenses incurred).

(h) Section 338(g) Election. If, and only if, requested by Seller, Purchaser shall timely make an election under Section 338(g) of the Code (and any comparable election under state or local Tax Law) (a "Section 338(g) Election") with respect to each Acquired Company for which Seller makes such a request. The Parties will cooperate to prepare and timely file, or cause to be prepared and timely filed, the IRS forms required to be filed in connection with any Section 338(g) Election requested pursuant to this Section 5.13(h), including any IRS Forms 8023 and Form 8883 (collectively, the "Section 338(g) Forms"), and Purchaser will provide Seller with final copies of any such Section 338(g) Forms filed by Purchaser and other documentation confirming their filing not later than fifteen (15) days after such forms are filed. Seller shall prepare an initial draft of any Form 8883 to be filed in connection with a Section 338(g) Election requested pursuant to this Section 5.13(h) and shall provide Purchaser with a draft copy of such IRS Form 8883 for review and comment not later than thirty (30) days prior to the due date for filing of such IRS Form 8883. Seller shall consider, in good faith, including in the IRS Form 8883 filed all reasonable comments provided by Purchaser with respect to any such draft copy not later than five (5) days prior to such due date. If any Section 338(g) Election is requested by Seller pursuant to this Section 5.13(h) (i) at least five (5) days prior to Closing, Purchaser shall provide Seller with written notice of such Section 338(g) Election and an executed copy of the applicable IRS Form 8023, its attachments and instructions in accordance with the requirements of Treasury Regulations § 1.338-2(e)(4) (any documents so provided, collectively, the "Section 338(g) Notice Documents") at the Closing and (ii) after the Closing, Purchaser shall provide Seller with the Section 338(g) Notice Documents not later than fifteen (15) days after the applicable Form 8023 is filed. Purchaser shall, and shall cause its Affiliates (including the Acquired Companies) to not file any U.S. Tax Returns in a manner that is inconsistent with any Section 338(g) election made pursuant to this Section 5.13(h) and any Section 338(g) Forms, and shall take no position contrary thereto for U.S. Tax purposes.

(i) Additional Tax Elections. Seller shall be entitled in its sole discretion, at any time prior to the Closing, to elect under Treasury Regulations section 301.7701-3(c) to treat as a disregarded entity for U.S. federal Tax purposes any Acquired Company that is currently treated as a corporation for U.S. federal Tax purposes.

5.14 Insurance Policies.

(a) Effective at the Closing, all self-insurance arrangements shall terminate with respect to the Acquired Companies without any further action or liability on the part of the parties thereto.

(b) From and after the Closing, Purchaser shall be solely responsible for providing insurance to the Acquired Companies for any event or occurrence after the Closing. Notwithstanding the foregoing, Seller shall keep, or cause the Acquired Companies to keep, all material insurance policies currently maintained with respect to the Acquired Companies and their

respective assets and properties, or suitable replacements or renewals, in full force and effect through the Closing.

5.15 Competing Transactions. Prior to the Closing, Purchaser shall not, and shall not permit any of its Affiliates to, directly or indirectly, acquire or agree to acquire, whether by merger, consolidation, purchasing a substantial portion of the assets of or equity in or by any other manner, any assets, business or any Person, including any electric generation assets or business, as well as any assets or businesses in the truck transmission sector, if the entering into of a definitive agreement relating to, or the consummation of such acquisition, merger, consolidation or purchase could reasonably be expected to (a) impose any substantial delay in the expiration or termination of any applicable waiting period or impose any substantial delay in obtaining of, or substantially increase the risk of not obtaining, any authorizations, consents, orders, declarations or approvals of any Governmental Entity necessary to consummate the transactions contemplated by this Agreement, (b) substantially increase the risk of any Governmental Entity entering an order prohibiting such transactions, (c) substantially increase the risk of not being able to remove any such order prohibiting such transactions on appeal or otherwise or (d) substantially delay or impede the consummation of the Transaction.

5.16 Paranapanema Tender Offer. Purchaser shall carry out a tag-along tender offer (*Oferta Pública de Aquisição de Ações por Alienação de Controle*) for the acquisition of the shares of Duke Energy International, Geração Paranapanema S.A. ("Duke Paranapanema"), which are not part of the control block, pursuant to article 254-A of Law No. 6,404/76 (Brazilian Corporations Law) and article 5, III, of Duke Paranapanema's bylaws, provided that the tender offer registration request shall be filed with the Brazilian securities commission (CVM – Comissão de Valores Mobiliários) no later than thirty (30) days after the Closing Date, pursuant to article 29 of CVM's Instruction No. 361/2002.

5.17 Paranapanema SPA; Auction Notice; Paranapanema Concession Agreement. Purchaser shall undertake to comply with all obligations arising from the share purchase and sale agreement of Companhia de Energia Elétrica Paranapanema entered into on August 5, 1999 (the "Paranapanema SPA"), the auction notice (*Editais*) No. SF/001/99 (the "Auction Notice") and the concession agreement entered into on September 21, 1999, pursuant to the terms of article 32 of Duke Paranapanema's bylaws (the "Paranapanema Concession Agreement") until the termination of the Paranapanema Concession Agreement. From the Closing until the second anniversary of the Closing Date, Seller shall, and shall cause its employees who are employees of Seller or any of its Affiliates as of the date of such request to, provide all cooperation reasonably requested by Purchaser and its Affiliates in connection with Purchaser's obligations set forth in this Section 5.17, including, without limitation, by causing appropriate officers and employees of Seller and its Affiliates and their respective Representatives to be reasonably available to meet with Governmental Entities and to provide reasonably available information related to the Paranapanema SPA and the Paranapanema

Concession Agreement, including any and all reasonably available information with respect to any Actions related to the Paranapanema SPA and the Paranapanema Concession Agreement.

5.18 Casualty. If any asset or property of the Acquired Companies is damaged or destroyed by fire or other casualty event, occurrence or circumstance after the date hereof but prior to the Closing (a "Casualty Loss"), and if the sum of (x) the estimated cost of repairing, replacing or restoring such damaged or destroyed asset or property to a condition reasonably comparable to its condition prior to such Casualty Loss plus (y) the amount of lost profits associated with such Casualty Loss to the extent that such lost profits are reasonably expected to accrue after the Closing as a result of such damage or destruction to such asset or property, each as estimated by a qualified firm reasonably acceptable to Purchaser and Seller (the "Damage Cost"):

(a) is less than one-half percent (0.5%) of the Purchase Price, then (i) such Casualty Loss shall not be taken into account for purposes of determining whether the conditions set forth in Article VI of this Agreement have been satisfied, and (ii) Purchaser shall be entitled to receive all casualty insurance proceeds, and which proceeds shall be excluded from the calculation of Net Working Capital;

(b) is greater than one-half percent (0.5%) of the Purchase Price but equal to or less than ten percent (10%) of the Purchase Price, then at Seller's option, (i) the Purchase Price shall be reduced by the amount of the Damage Cost and such Casualty Loss shall not affect the Closing, or (ii) Seller shall repair or restore the assets or properties subject to such Casualty Loss to a condition reasonably comparable to their prior condition prior to Closing, and Seller shall be entitled to receive all casualty insurance proceeds in connection with such Casualty Loss. If for whatever reason the repair under subpart (ii) of the immediately preceding sentence is not completed prior to the Closing Date and all conditions set forth in Article VI have been satisfied or waived (other than those conditions that, by their terms, cannot be satisfied until the Closing) and the Parties are otherwise ready to close, at Purchaser's option, (x) the Closing shall occur and the Purchase Price payable by Purchaser at Closing shall be reduced by the amount of the Damage Cost, less any verified amounts expended by Seller or any Non-Company Affiliate in connection with the repair or restoration actually completed by Seller on the assets or properties subject to Casualty Loss prior to Closing, and (y) the Closing Date shall be postponed for the amount of time reasonably necessary to complete such restoration or repair not to exceed ninety (90) days; or

(c) is greater than ten percent (10%) of the Purchase Price, then either Seller or Purchaser may elect to terminate this Agreement in accordance with Article VII of this Agreement.

5.19 Cooperation Regarding Certain Matters. As soon as practicable following the date hereof, Seller shall cause the Company to make available for review case files for the matter described on Schedule 5.19(a) of the Seller Disclosure Schedules.

5.20 GSF Matter. In the event that a full and complete release of the Acquired Companies of all Liabilities relating to the GSF Matter (the "GSF Settlement Agreement") in consultation with and to the satisfaction of Purchaser, is not entered into prior to Closing, Purchaser and the Acquired Companies shall, after the Closing, have the right to control the prosecution, defense, compromise, settlement or disposal of the GSF Matter. Seller shall provide commercially reasonable cooperation to Purchaser and the Acquired Companies, at Purchaser's request and direction, in connection with Purchaser's and the Acquired Companies' prosecution, defense, compromise, settlement and disposal of the GSF Matter after the Closing, including by timely providing any information relating to the GSF Matter. In the event that, after Closing, the GSF Matter is resolved (by settlement, order or otherwise) for an amount below the GSF Reserve Amount, then Purchaser shall notify Seller within five Business Days thereof and promptly (but in any event no later than fifteen (15) Business Days) remit an amount in cash to Seller equal to fifty percent (50%) of the amount by which the GSF Reserve Amount exceeds the amount of such resolution.

5.21 Further Assurances. Each of Seller, the Company and Purchaser agrees that, from time to time before and after the Closing Date, they will execute and deliver, and Seller shall cause the Acquired Companies (prior to Closing) and Purchaser shall cause the Acquired Companies (after the Closing) to execute and deliver, such further instruments, and take, or cause their respective Affiliates to take, such other action, as may be reasonably necessary to carry out the purposes and intents of this Agreement. Purchaser, the Company and Seller agree to use reasonable best efforts to refrain from taking any action which could reasonably be expected to materially delay the consummation of the Transaction.

5.22 Transition Services

(a) From and after the date hereof, Seller shall provide or cause to be provided to Purchaser or the Acquired Companies until expiration of the three-month transition period immediately following the Closing Date transition services that are described on Annex A. Purchaser may request an extension in writing (providing reasonable detail) not later than fifteen (15) Business Days before the end of such transition period. Purchaser shall provide or cause to be provided to Seller or its Non-Company Affiliates for the three-month period immediately following the Closing Date transition services that are described on Annex B which are requested in writing (providing reasonable detail) by Seller not later than fifteen (15) Business Days before the Closing

Date. The services referred to in this Section 5.22(a) are herein referred to as the “Transition Services,” the recipient of such services as the “Services Recipient” and the provider of such services as the “Services Provider.”

(b) Services Provider shall, and shall cause its Affiliates to, perform any Transition Services provided hereunder in substantially the same quality and manner as the same or comparable services were provided during the three (3)-month period preceding the Closing, all during normal business hours and without interfering with the responsibilities of any applicable employee to his or her employees; provided, however, that notwithstanding anything to the contrary in this Agreement, (A) Services Provider and its Affiliates shall not have any liability to Services Recipient or its Affiliates for any acts or omissions of Services Provider or its Affiliates in connection with this Section 5.22 and the Transition Services, (B) Services Recipient shall indemnify and hold harmless Services Provider and its Affiliates from and against any and all Losses relating to the Transition Services except to the extent such Losses were caused by the gross negligence or willful misconduct of Services Provider or its Affiliates, (C) Services Provider shall not be obligated to retain any employees to provide the Transition Services, and (D) the exclusive remedy of Services Recipient and its Affiliates against Services Provider or its Affiliates for breach of this Section 5.22 or otherwise relating to the Transition Services shall be limited to termination (effective upon ten (10) days prior written notice) of the affected Transition Service and, in the case of Services Provider’s or its Affiliates’ gross negligence or willful misconduct, monetary damages (but in no event exceeding the amount paid to Services Provider for such Transition Services under Section 5.22(c)).

(c) Services Recipient, upon not less than ten (10) days written notice to Service Provider, at any time and from time to time may, as of the date set forth in such notice (which may not precede the end of such ten (10)-day period without Service Provider’s approval), reduce or terminate its right to receive (and Service Provider’s associated obligations to provide or cause the provision of) any or all of the applicable Transition Services. Services Recipient shall reimburse Service Provider for the reasonable hourly salary and out-of-pocket expenses actually incurred by or on behalf of Service Provider or its Affiliates attributable to the provision of the Transition Services (such costs and expenses, the “Direct Costs”). No later than the fifteenth (15th) Business Day after the end of each calendar month during which Service Provider or its Affiliates provided Transition Services, beginning with the calendar month immediately following the Closing, Service Provider shall submit an invoice to Services Recipient for the Direct Costs incurred during such calendar month. If the Closing occurs on a day other than the last day of a month, the invoice for the first month shall be only for those Transition Services provided from such date until the end of the month in which the Closing took place. Services Recipient shall pay or cause to be paid each such invoice it receives within fifteen (15) days after its receipt.

5.23 Shareholder Agreement Consents

(a) Seller shall obtain, or shall cause its Affiliates to obtain, within ten (10) Business Days after the date hereof, any necessary consents or waivers under or pursuant to the agreements listed as Item 1 and as Item 2 in Schedule 3.5(d) of the Seller Disclosure Schedules (collectively, the “Shareholder Agreement Consents”), and shall provide evidence thereof to Purchaser, within such ten (10) Business Day period.

ARTICLE VI

CONDITIONS TO CLOSING

6.1 Conditions to Each Party’s Obligations to Effect the Closing. The respective obligations of each Party to effect the Closing shall be subject to the satisfaction or waiver (to the extent permitted by Law) by Purchaser and Seller, on or prior to the Closing Date, of each of the following conditions precedent:

(a) Statutory Approvals. (i) The Brazil Regulatory Approvals shall have been obtained and shall have become Final Orders, (ii) the PRC Regulatory Approvals shall have been obtained, and (iii) all other Required Statutory Approvals shall have been obtained and shall have become Final Orders.

(b) No Injunction. No temporary restraining order or preliminary or permanent injunction or other order by any court of competent jurisdiction or other Governmental Entity preventing consummation of the transactions contemplated by this Agreement shall have been issued and be continuing in effect, and the transactions contemplated by this Agreement shall not have been prohibited under any applicable Law or regulation; provided, however, that the Parties shall use reasonable best efforts to have any such order or injunction vacated or lifted.

(c) Restructuring Transactions. The Restructuring Transactions, if any, shall have been consummated in all material respects.

6.2 Conditions to the Obligations of Purchaser to Effect the Closing. The obligation of Purchaser to effect the Closing shall be further subject to the satisfaction or waiver by Purchaser, on or prior to the Closing Date, of each of the following conditions:

(a) Performance of Obligations of Seller and the Company. Seller and the Company shall have performed in all material respects all obligations contained in or contemplated by this Agreement which are required to be performed by Seller and the Company at or prior to the Closing (other than their respective obligations in Section 5.12, which are the subject of Section 6.1(c)).

(b) Representations and Warranties. The representations and warranties of Seller and the Company set forth in this Agreement (other than the Fundamental Representations of Seller and the Company and the representation set forth in Section 3.7(b)) shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (except for representations and warranties that expressly speak only as of a specific date or time which need only be true and correct as of such date or time), except for such failures of representations and warranties to be true and correct (without giving effect to any materiality qualification, Company Material Adverse Effect or Seller Material Adverse Effect standard contained in any such representations and warranties) which would not constitute a Company Material Adverse Effect. The Fundamental Representations of Seller and the Company and the representation and warranty set forth in Section 3.7(b) shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (except for representations and warranties that expressly speak only as of a specific date or time which need only be true and correct as of such date or time) (except, in the case of the representations contained in Section 2.5(b) (Company Capitalization; Right and Title to Shares) and Section 3.5 (Capitalization), for de minimis exceptions).

(c) Company Required Consents. The Company Required Consents set forth on Schedule 6.2(c) of the Seller Disclosure Schedules shall have been obtained.

(d) Officer's Certificate. Purchaser shall have received a certificate from an authorized officer of Seller, dated the Closing Date, to the effect that the conditions set forth in Sections 6.2(a) and 6.2(b) have been satisfied.

(e) No Material Adverse Effect. Since the date of this Agreement, no Company Material Adverse Effect shall have occurred and be continuing.

(f) Shareholder Agreement Consents Obtained. The Shareholder Agreement Consents shall have been obtained and evidence thereof shall have been provided to Purchaser within the time period prescribed in Section 5.22.

6.3 Conditions to the Obligations of Seller to Effect the Closing. The obligation of Seller to effect the Closing shall be subject to the satisfaction or waiver by Seller, on or prior to the Closing Date, of each of the following conditions:

(a) Performance of Obligations of Purchaser. Purchaser shall have performed in all material respects all obligations contained in or contemplated by this Agreement which are required to be performed by it at or prior to the Closing.

(b) Representations and Warranties. The representations and warranties of Purchaser set forth in this Agreement shall be true and correct on and as of the Closing Date with

the same effect as though such representations and warranties had been made on and as of the Closing Date (except for representations and warranties that expressly speak only as of a specific date or time which need only be true and correct as of such date or time) except for such failures of representations and warranties to be true and correct (without giving effect to any materiality qualification or standard contained in any such representations and warranties) which would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

(c) Officer's Certificate. Seller shall have received a certificate from an authorized officer of Purchaser, dated the Closing Date, to the effect that the conditions set forth in Sections 6.3(a) and 6.3(b) have been satisfied.

(d) Section 338(g) Notice Documents. Seller shall have received any Section 338(g) Notice Documents required to be delivered by Purchaser pursuant to Section 5.13(h).

(e) Brazilian Withholding Documentation. Seller shall have received the Brazilian Withholding Documentation required to be delivered by Purchaser pursuant to Section 1.8(b)(iii).

6.4 Frustration of Closing Conditions. No Party may rely on the failure of any condition set forth in this Article VI to be satisfied if such failure was caused by such Party's failure to act in accordance with this Agreement.

ARTICLE VII

TERMINATION

7.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual written agreement of Purchaser, the Company and Seller;

(b) by Purchaser or Seller, if (i) a statute, rule, regulation or executive order shall have been enacted, entered or promulgated prohibiting the consummation of the transactions contemplated hereby or (ii) an order, decree, ruling or injunction shall have been entered permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby, and such order, decree, ruling or injunction shall have become final and non-appealable and the party seeking to terminate this Agreement pursuant to this Section 7.1(b)(ii) shall have used reasonable best efforts to remove such order, decree, ruling or injunction;

(c) by Purchaser or Seller, by written notice, if the Closing Date shall not have occurred within six (6) months from the date hereof (the "Initial Termination Date"); provided, however, that the right to terminate the Agreement under this Section 7.1(c) shall not be available to any Party whose failure to fulfill any obligation under this Agreement shall have caused or resulted in the failure of the Closing Date to occur on or before such date; and provided, further, that if on the Initial Termination Date the conditions to the Closing set forth in Section 6.1(a) or Section 6.1(b) (in the case of Section 6.1(b), solely insofar as such order, injunction, Law or regulation relates to the Required Statutory Approvals) have not been fulfilled but all other conditions to the Closing (other than those conditions that, by their terms, cannot be satisfied until the Closing) have been fulfilled (or waived) or are capable of being fulfilled by such date that is ninety (90) days following the Initial Termination Date (the "Final Termination Date"), then no Party shall have the right to terminate this Agreement pursuant to this Section 7.1(c) prior to the Final Termination Date;

(d) by Purchaser, so long as Purchaser is not then in material breach of any of its representations, warranties, covenants or agreements hereunder, by written notice to Seller, if there shall have been a breach of any representation or warranty of Seller or the Company, or a breach of any covenant or agreement of Seller or the Company hereunder, which breach would result in a failure of a condition set forth in Section 6.2, and such breach shall not have been remedied within thirty (30) days after receipt by Seller and/or the Company of notice in writing from Purchaser, specifying the nature of such breach and requesting that it be remedied, or Purchaser shall not have received adequate assurance of a cure of such breach within such thirty-day (30-day) period;

(e) by Seller, so long as Seller or the Company is not then in material breach of any of their representations, warranties, covenants or agreements hereunder, by written notice to Purchaser, if there shall have been a breach of any representation or warranty, or a breach of any covenant or agreement of Purchaser hereunder, which breach would result in a failure of a condition set forth in Section 6.3, and such breach shall not have been remedied within thirty (30) days after receipt by Purchaser of notice in writing from Seller, specifying the nature of such breach and requesting that it be remedied or Seller shall not have received adequate assurance of a cure of such breach within such thirty-day (30-day) period;

(f) by Seller or Purchaser pursuant to Section 5.18;

(g) by Seller, on or after March 1, 2017, if (i) the condition contained in Section 6.1(a)(ii) shall not have been satisfied by December 31, 2016 and (ii) on the date of termination, all other conditions contained in Article VI, including the condition contained in Section 6.1(a)(i), shall have been satisfied or waived (other than (x) the condition contained in Section 6.1(b) (due solely to an order, injunction, Law or regulation by any Governmental Entity in the PRC) and (y) those conditions that by their nature are to be satisfied at the Closing but which conditions would be satisfied or would be capable of being satisfied if the Closing Date were on the date of

such termination, or those conditions that have not been satisfied as a result of a breach by Purchaser); or

(h) . by Purchaser, if a copy of each of the Shareholder Agreement Consents has not been delivered to Purchaser within the time period prescribed in Section 5.22.

7.2 Effect of Termination. No termination of this Agreement pursuant to Section 7.1 shall be effective until notice thereof is given to the non-terminating Parties specifying the provision hereof pursuant to which such termination is made. If validly terminated pursuant to Section 7.1, this Agreement shall become wholly void and of no further force and effect without liability to any Party or to any Affiliate, or their respective members or shareholders, directors, officers, employees, agents, advisors or Representatives, and following such termination no Party shall have any liability under this Agreement or relating to the transactions contemplated by this Agreement to any other Party; provided that, (i) this Section 7.2 and Section 5.4(d) (insofar as it relates to information of Purchaser) of this Agreement shall survive termination hereof, (ii) no such termination shall relieve any Party from any liability for Willful Breach by such Party prior to the termination of this Agreement of any representation, warranty, covenant or agreement of such Party under this Agreement, and (iii) no such termination shall relieve Purchaser of its obligation to pay the Purchaser Termination Fee, if, as and when required pursuant to Section 7.3 (which Section 7.3 shall survive any such termination). In the event of the termination of this Agreement as provided in Section 7.1, Purchaser shall redeliver to Seller or the Company, as the case may be, and will cause its agents to redeliver to Seller or the Company, as the case may be, all documents, workpapers and other materials of Seller and the Acquired Companies, relating to any of them and the transactions contemplated hereby, whether obtained before or after the execution hereof, and Purchaser shall comply with all of its obligations under the Confidentiality Agreement.

7.3 Purchaser Termination Fee.

(a) The Parties agree that if this Agreement is terminated:

(i) by Seller or Purchaser pursuant to Section 7.1(b) due to a statute, rule, regulation, executive order, order, decree, ruling or injunction by any Governmental Entity in the PRC; or

(ii) by Seller pursuant to Section 7.1(g),

then Purchaser shall, within five (5) Business Days following any such termination, pay (or cause to be paid) by wire transfer of immediately available funds to an account designated in writing by Seller a termination fee equal to \$48,478,988 (the "Purchaser Termination Fee").

(b) For the avoidance of doubt, in no event shall Purchaser be obligated to pay the Purchaser Termination Fee on more than one (1) occasion. Payment of the Purchaser Termination Fee is not a penalty and shall constitute liquidated damages as a reasonable amount

that will compensate Seller in the circumstances upon which the Purchaser Termination Fee is payable for the efforts and resources expended and opportunity foregone with respect to the consummation of the transactions contemplated hereby which would otherwise be impossible to calculate with precision and, except as provided in clauses (i) and (ii) of the proviso of Section 7.2, from and after such termination as described in Section 7.3(a), Purchaser shall have no further liability or obligations of any kind in connection with this Agreement or the termination contemplated hereby other than as provided under this Section 7.3.

(c) Purchaser acknowledges that the agreement contained in this Section 7.3 is an integral part of this Agreement and that, without this Section 7.3, Seller would not have entered into this Agreement. Accordingly, if Purchaser fails to promptly pay any amount due pursuant to this Section 7.3, Purchaser shall pay to Seller all reasonable fees, costs and expenses of enforcement (including reasonable attorney's fees as well as reasonable expenses incurred in connection with any action initiated by Seller), together with interest on the amount of the Purchaser Termination Fee at the prime lending rate as published in The Wall Street Journal, in effect on the date such payment is required to be made.

ARTICLE VIII

INDEMNIFICATION

8.1 Survival of Representations, Warranties and Covenants. The representations, warranties, covenants and agreements of the Parties hereto contained in this Agreement at the Closing shall survive the Closing for twelve (12) months after the Closing; provided that, notwithstanding anything to the contrary contained herein, (A)(i) the representations and warranties set forth in Section 2.1 (Organization and Qualification), Section 2.2 (Authority), Section 2.5 (Company Capitalization; Right and Title to Shares); (ii) Section 3.1 (Organization and Qualification), Section 3.2 (Authority) and Section 3.5 (Capitalization), (the items in clauses (i) and (ii), collectively, the "Fundamental Representations"); and (iii) the representations and warranties of Purchaser set forth in Section 4.1 (Organization and Qualification) and Section 4.2 (Authority), shall survive the Closing for five (5) years; (B) the covenants and agreements in this Agreement under which performance extends beyond the Closing Date shall survive until the date that is ninety (90) days after the last day a Party is required to take action or refrain from taking action in accordance therewith; and (C) the interim covenants contained in Section 5.1(a) shall survive until the date that is ninety (90) days after the Closing. Notwithstanding anything to the contrary contained herein, representations and warranties set forth in Section 3.9 (Tax Matters) and the covenants and agreements set forth in Section 5.13 (Tax Matters) (collectively, such representations and covenants, together with the agreements and covenants set forth in Section 1.8(b) (Withholding Rights), the "Tax Reps and Covenants") shall survive the Closing until sixty (60) days following the expiration of the applicable statute of limitations. Notwithstanding the foregoing,

any claim made within the applicable time period set forth in the foregoing sentences with reasonable specificity by the Party seeking to be indemnified (or if reasonable specificity is not possible, setting forth information known at such time with respect to such claim) shall survive until such claim is finally resolved. The Parties expressly agree that the provisions of this Section 8.1 shall operate as a contractual statute of limitations.

8.2 Indemnification by Seller. Subject to Section 8.4, from and after the Closing Date, Seller shall indemnify and hold harmless Purchaser and its Affiliates (including, after the Closing Date, the Company) and their respective directors, officers, employees, successors and assigns (each, a “Purchaser Indemnified Party”) from and against all Losses actually imposed on or suffered or incurred by them, in connection with, arising out of or resulting from (a) a failure of any representation or warranty made by Seller or the Company in this Agreement to be true and correct on and as of the Closing Date (and, except with respect to Section 3.6 and Section 3.7(b)) in each case disregarding, for all purposes of this Article VIII, any “material,” “Company Material Adverse Effect,” “Seller Material Adverse Effect,” or similar qualifications contained therein), (b) any breach of any covenant or agreement of Seller or, prior to the Closing, the Company, under this Agreement, (c) all Taxes of the Acquired Companies for all Pre-Closing Tax Periods and the pre-Closing portion of any Straddle Period (as determined under Section 5.13(c)), (d) any Transfer Taxes for which Seller is liable pursuant to Section 5.13(a), (e) any Seller Withholding Liabilities, (f) the Actions set forth on Schedule 8.2(f) of the Seller Disclosure Schedules; provided, that, the maximum amount of Losses that may be recovered from Seller for any amounts due under this Section 8.2(f) shall be an amount equal to Brazilian Reais 7.5 million, (g) the Actions set forth on Schedule 8.2(g) of the Seller Disclosure Schedules; provided, that, the maximum amount of Losses that may be recovered from Seller for any amounts due under this Section 8.2(g) shall be an amount equal to ten (10%) of the Purchase Price, (h) the matters set forth on Schedule 8.2(h) of the Seller Disclosure Schedules, and (i) the Restructuring Transactions and the Additional Restructuring Transactions (which, for the avoidance of doubt, in each case exclude the Transaction).

8.3 Indemnification by Purchaser. Subject to Section 8.4, from and after the Closing Date, Purchaser shall indemnify and hold harmless Seller and its Affiliates and their respective directors, officers, employees, successors and assigns (each, a “Seller Indemnified Party”) from and against all Losses actually imposed on, suffered or incurred by them in connection with, arising out of or resulting from (a) a failure of any representation or warranty made by Purchaser in this Agreement to be true and correct on and as of the Closing Date (and in each case disregarding, for all purposes of this Article VIII, any “material,” “Purchaser Material Adverse Effect,” or similar qualifications contained therein), or (b) any breach of any covenant or agreement of Purchaser or, after the Closing, the Company, under this Agreement, (c) all Taxes of the Acquired Companies for all Post-Closing Tax Periods and the post-Closing portion of any Straddle Period (as determined under Section 5.13(c)), (d) any Transfer Taxes for which Purchaser is liable pursuant to Section 5.13(a), and (e) any Purchaser Withholding Liabilities.

8.4 Limitations on Indemnification.

(a) No claim may be made or asserted nor may any Action be commenced pursuant to Sections 8.2 or 8.3 against any Party for breach of any representation, warranty or covenant contained herein, unless written notice of such claim or Action has been given by the Indemnified Party to the Indemnifying Party, describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim or Action (or if reasonable detail is not possible, setting forth information known at such time with respect to such claim), on or prior to the date on which the representation or warranty on which such claim or Action is based ceases to survive as set forth in Section 8.1;

(b) Notwithstanding anything to the contrary contained in this Agreement:

(i) except in the breaches of any Fundamental Representation, the representations set forth in Sections 2.7 (Brokers and Finders) and 3.21 (Brokers and Finders), or the Tax Reps and Covenants, Seller shall not be liable for any claim for indemnification pursuant to Section 8.2(a), unless and until the aggregate amount of indemnifiable Losses that may be recovered from Seller pursuant to Section 8.2(a) equals or exceeds one percent (1%) of the Purchase Price (the “Deductible Amount”), at which point Seller shall be liable only for the amount of those Losses indemnifiable pursuant to Section 8.2(a) in excess of the Deductible Amount;

(ii) except in the case of breaches of any Fundamental Representation, the representations set forth in Sections 2.7 (Brokers and Finders) and 3.21 (Brokers and Finders), or the Tax Reps and Covenants, no Losses may be claimed under Section 8.2(a) by any Indemnified Party, nor shall any Losses be reimbursable or included in calculating the aggregate indemnifiable Losses set forth in subsection (i) of this Section 8.4(b), other than Losses in excess of one hundred thousand dollars (\$100,000) resulting from any single claim or aggregated claims arising out of related facts, events or circumstances; provided that, subject to this Section 8.4(b), after such amount is reached, all such Losses may be claimed under Section 8.2(a) by an Indemnified Party;

(iii) except in the case of breaches of any Fundamental Representation, the representations set forth in Sections 2.7 (Brokers and Finders) and 3.21 (Brokers and Finders), or the Tax Reps and Covenants, the maximum amount of indemnifiable Losses that may be recovered from Seller for any amounts due under Section 8.2(a) shall be an amount equal to ten percent (10%) of the Purchase Price;

(iv) the aggregate amount of Losses for which either Party is liable under this Article VIII shall not be in excess of the amount of the Purchase Price;

(v) the right to indemnification, payment, reimbursement, or other remedy based upon the inaccuracy or breach of any representation or warranty will not be affected by any investigation conducted or any knowledge acquired at any time whether before or after the date hereof or the Closing Date, with respect to the accuracy or inaccuracy of such representation or warranty; and

(vi) no Party shall have any Liability pursuant to Section 8.2(a), (b) or (c) or Section 8.3(a), (b) or (c) for any special, indirect, consequential (including lost profits) or punitive damages (other than (i) punitive damages payable to third parties or (ii) relating to a breach or alleged breach of Sections 3.6, 3.11, 3.13 or 3.15(b)).

8.5 Notice of Loss; Third Party Claims.

(a) Other than with respect to any Third Party Claim that is provided for in Section 8.5(b), an Indemnified Party shall give the Indemnifying Party notice of any matter that an Indemnified Party has determined has given rise to a right of indemnification under this Article VIII, promptly after such determination, stating the amount of the Losses, if known, and method of computation thereof, and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed or arises; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VIII, except to the extent that the Indemnifying Party is actually and materially prejudiced by such failure.

(b) If an Indemnified Party shall receive notice of any Action, audit, claim, demand or assessment (each, a "Third Party Claim") against it that may give rise to a claim for Losses under this Article VIII, promptly after the receipt of such notice, the Indemnified Party shall give the Indemnifying Party notice of such Third Party Claim (a "Claim Notice"); provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VIII, except to the extent that the Indemnifying Party is actually and materially prejudiced by such failure. The Indemnifying Party shall be entitled, to the extent permitted by applicable Law, to assume and control the defense of such Third Party Claim at its expense and through counsel of its choice (reasonably acceptable to the Indemnified Party), if it gives notice of its intention to do so to the Indemnified Party within thirty (30) days of its receipt of the Claim Notice; provided that the Indemnifying Party shall not be entitled to assume control of such defense and shall pay (x) the fees and expenses of counsel retained by the Indemnified Party and (y) in the case of Third Party Claims relating to a claim made by a Governmental Entity, the cost of posting a bond or other security in connection with such Third Party Claim, if (A) such Third

Party Claim for indemnification relates to or arises in connection with any criminal Action; (B) such Third Party Claim seeks an injunction or equitable relief against the Indemnified Party; (C) such Third Party Claim is reasonably foreseeable to result in Losses which are more than 200% of the remaining applicable indemnifiable amount pursuant to this Article VIII at the time such claim is submitted by the Indemnified Party; (D) such Third Party Claim relates to a claim made by a Governmental Entity; (E) such Third Party Claim relates to or arises in connection with customers, suppliers or senior management of the Acquired Companies, or (F) such Third Party Claim relates to any of the Actions set forth on Schedule 8.2(f) of the Seller Disclosure Schedule or on Schedule 8.2(g) of the Seller Disclosure Schedule.

(c) Notwithstanding the foregoing, if the actual or potential defendants in, or targets of, such Third Party Claim include both the Indemnifying Party and the Indemnified Party, and the Indemnified Party shall have reasonably concluded that there exists an actual conflict of interest between them (including one or more legal defenses available to the Indemnified Party which are not available to the Indemnifying Party) or is reasonably likely to develop during the pendency of the litigation that would make it inappropriate in the reasonable judgment of the Indemnified Party for the same counsel to represent both the Indemnified Party and the Indemnifying Party, then the Indemnified Party shall be entitled to retain one counsel (plus one local counsel, if necessary) reasonably acceptable to the Indemnifying Party, at the expense of the Indemnifying Party; provided that the Indemnified Party and such counsel shall use diligent and good faith efforts in such defense.

(d) The Indemnified Party shall cooperate with the Indemnifying Party in the defense and settlement of any Third Party Claim and make available to the Indemnifying Party all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party; provided that such access shall not unduly interrupt the Indemnified Party's businesses. Any settlement or compromise of such Third Party Claim by the Indemnifying Party shall require the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, further, that no such consent shall be required as long as it is solely a monetary settlement which is fully indemnifiable that provides a full release of the Indemnified Party with respect to such Third Party Claim and does not contain an admission of liability on the part of the Indemnified Party.

(e) If the Indemnifying Party does not assume control over the defense of such Third Party Claim as provided in Section 8.5(b), then the Indemnified Party shall have the right to defend such Third Party Claim and the Indemnifying Party shall be required to pay all reasonable costs and expenses incurred by the Indemnified Party in connection with such Third Party Claim; provided that the Indemnified Party shall use diligent and good faith efforts in its defense of such Third Party Claim and shall not settle such Third Party Claim without obtaining

the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed, unless, that in such event, the Indemnified Party shall waive any right to indemnity therefor by the Indemnifying Party for such Third Party Claim. In such event, the Indemnifying Party shall cooperate with the Indemnified Party in the defense and settlement of any Third Party Claim and make available to the Indemnified Party all witnesses, pertinent records, materials and information in the Indemnifying Party's possession or under the Indemnifying Party's control relating thereto as is reasonably required by the Indemnified Party; provided that such access shall not unduly interrupt the Indemnifying Party's businesses. The Indemnified Party shall not pay, or permit to be paid, any part of such Third Party Claim unless (i) the Indemnifying Party consents in writing to such payment, (ii) a final judgment from which no appeal may be taken by or on behalf of the Indemnifying Party has been entered against the Indemnified Party for such Third Party Claim or (iii) the Indemnified Party waives in writing its right to indemnification hereunder with respect to such Third Party Claim.

(f) With respect to any Tax Matter, the provisions of Section 5.13(e), and not this Section 8.5 (except Section 8.5(g)) shall control to the extent of any conflict between such provisions. Notwithstanding the preceding sentence, with respect to any Third Party Claim and any Tax Matter, if there is any conflict between Section 8.5(g) and any other provision herein (including Section 5.13(e)), Section 8.5(g) shall govern in all events.

(g) The defense of proceedings related to any Third Party Claims and any Tax Matter that may affect the ability of the Acquired Companies and/or the Purchaser to obtain clearance certificates (or positive certificates with clearance effects) of debts or obligations owed to Governmental Authorities (including without limitation Tax debts, Taxes and sector charges), shall be conducted through the adoption of any and all measure necessary to maintain the suspension of the applicability (in Portuguese, "*suspensão de exigibilidade*") of any liability or obligation under discussion, allowing for the issuance of said certificates. If, at any time, the applicability of any liability is no longer suspended or the obtaining of certificates is impaired, the Indemnifying Party, or the Seller in the case of a Tax Matter contested in accordance with Section 5.13(e)(i), shall have a maximum period of ten (10) days from the knowledge by the Indemnifying Party, or the Seller in the case of a Tax Matter contested in accordance with Section 5.13(e)(i), to perform any act necessary to reverse the situation. In case there is a need obtain certificates that allow the Acquired Companies and/or Purchaser to participate in tenders, enter into agreements or enjoy relevant rights, and it is not possible to obtain them with at least ten (10) days before the date when they shall be presented, the Indemnified Party, or the Purchaser in the case of a Tax Matter contested in accordance with Section 5.13(e)(i), shall notify the Indemnifying Party, or the Seller in the case of a Tax Matter contested in accordance with Section 5.13(e)(i), so that the latter may obtain, within three (3) days from the receipt of such notification, the suspension of the enforceability of credit or obligation in order to allow the effective issuance of the referred certificates. In case the Indemnifying Party, or the Seller in the case of a Tax Matter contested in accordance with Section 5.13(e)(i), does not

obtain such suspension in the referred term, (i) in the case of a Third Party Claim, the Indemnified Party may revoke the power of attorney granted to the lawyer responsible for the defense, and (ii) in the case of Tax Matter contested in accordance with Section 5.13(e)(i), the Seller shall no longer control the resolution of such Tax Matter and the provisions of Section 5.13(e)(ii) shall apply, and/or adopt the measures required to obtain the suspension of the enforceability of credit and the referred certificates, being fully indemnified, in accordance with this Agreement, for amounts paid and other costs relating to the proceedings, regardless of any discussion about the efficiency or convenience of the payment or any other act performed in this respect. In any case, the reasonable costs associated with the legal fees of the defense, after it is assumed by the Indemnified Party or the Purchaser, as the case may be, shall still be subject to indemnification to the Indemnified Party or the Purchaser, as the case may be, in accordance with the provisions in this Agreement.

8.6 Mitigation; Adjustments.

(a) Each Indemnified Party shall use its reasonable best efforts to mitigate any Losses under this Article VIII (which efforts in no event shall include commencement of litigation against any Person). In the event an Indemnified Party fails to so mitigate an indemnifiable Loss, the Indemnifying Party shall have no Liability for any portion of such Loss that reasonably would have been avoided had the Indemnified Party made such efforts. Purchaser shall, and shall cause the Acquired Companies to, reasonably cooperate with Seller in recovering from any third parties (including with respect to enforcement of any Acquired Company's indemnification rights) any Loss paid by Seller pursuant to this Article VIII.

(b) In calculating the amount of any Loss under this Article VIII, the proceeds actually received by the Indemnified Party or any of its Affiliates under any third-party insurance policy, or pursuant to any claim, recovery, settlement or payment by or against any other Person, net of any actual costs, expenses or premiums incurred in connection with securing or obtaining such proceeds, shall be deducted from such Loss or indemnification payment.

(c) The amount of any Damages incurred by the Indemnified Party shall be reduced by the amount of any Tax benefit attributable to such Damages that are actually realized by the Indemnified Party or any of its Affiliates through a reduction in cash Tax payments that otherwise would have been required to be made by such Indemnified Party or any of its Affiliates, as the case may be, on or before the end of the taxable year in which indemnification is sought or in the taxable year immediately following such taxable year; provided, however, that for the avoidance of doubt, in no event shall such Indemnified Party (or its applicable Affiliate) be required to disclose any information it deems confidential, including its tax returns and its calculations.

(d) Purchaser and Seller agree to treat, and to cause their respective Affiliates to treat, for all Tax purposes, any payment made under this Article VIII, to the maximum extent permitted by applicable Law, as an adjustment to the Purchase Price.

8.7 Remedy. Except as provided in Section 10.5 or in the case of actual and intentional fraud, (a) this Article VIII shall be the exclusive remedy of the Parties hereto following the Closing for any Losses arising out of any breach or inaccuracy of the representations, warranties, covenants and agreements of the Parties contained in this Agreement, and (b) each of the Parties hereto hereby waives, to the fullest extent permitted by applicable Law, any and all rights, claims and causes of action it may have against the other Parties hereto with respect to any breach or inaccuracy of the representations, warranties, covenants and agreements of the Parties contained in this Agreement, arising under or based upon any Law or Governmental Order, other than the right to seek indemnity pursuant to this Article VIII.

8.8 Director and Officer Release; Seller Release.

(a) Purchaser shall cause the Acquired Companies to completely and irrevocably release, hold harmless and forever discharge each director or officer of the Acquired Companies who resigns at the Closing (or before the Closing at the request of Purchaser) from any and all claims, damages, Losses, demands, Actions, causes of action, promises and/or Liabilities of every kind or character whatsoever, whether in law or in equity, the same may owe or have to the Acquired Companies in his or her capacity as a director or officer thereof arising on or before the Closing, other than liabilities arising from his or her gross negligence, recklessness, criminal conduct or self-dealing.

(b) Effective on the Closing, the Seller, on behalf of itself and its Affiliates, hereby completely and irrevocably releases, holds harmless and forever discharges Purchaser, each Acquired Company and each of their respective post-Closing Affiliates, from any and all claims, damages, Losses, demands, Actions, causes of action, promises and/or Liabilities of every kind or character whatsoever, whether in law or in equity, to the extent arising out of Seller or any of its Affiliates having been an equity, debt or option holder of any of the Acquired Companies, including, without limitation, any such claims, damages, Losses, demands, Actions, promises with respect to declared but unpaid dividends.

ARTICLE IX

DEFINITIONS AND INTERPRETATION

9.1 Defined Terms. The following terms are defined in the corresponding Sections of this Agreement:

<u>Defined Term</u>	<u>Section Reference</u>
Additional Restructuring Transactions	<u>Section 1.7(a)</u>
Adjustment Amount Statement	<u>Section 1.6(a)</u>
Affiliate Contracts	<u>Section 3.19(a)</u>
Agreement	<u>Preamble</u>
Auction Notice	<u>Section 5.17</u>
Brazilian Withholding Documentation	<u>Section 1.8(b)(iii)</u>
Brazilian Withholding Taxes	<u>Section 1.8(b)</u>
Casualty Loss	<u>Section 5.18</u>
CBA	<u>Section 3.17(a)</u>
Claim Notice	<u>Section 8.5(b)</u>
Closing	<u>Section 1.3</u>
Closing Date	<u>Section 1.3</u>
Company	<u>Preamble</u>
Company Material Contracts	<u>Section 3.15(a)</u>
Company Plans	<u>Section 3.12(a)</u>
Company Required Consents	<u>Section 3.3</u>
Company Required Statutory Approvals	<u>Section 3.4</u>
Concession Real Property	<u>Section 3.14</u>
Concessions	<u>Section 3.14(c)</u>
Continuing Employees	<u>Section 5.6(a)</u>
Contract	<u>Section 2.3</u>
Contracting Party	<u>Section 3.15(a)</u>
Damage Cost	<u>Section 5.18(a)</u>
DARFs	<u>Section 1.8(b)(ii)</u>
December 2015 Financial Statements	<u>Section 3.6(a)</u>
Deductible Amount	<u>Section 8.4(b)(i)</u>
Deemed Closing Time	<u>Section 1.3</u>
DEIG	<u>Preamble</u>
Disclosure Schedules	<u>Section 10.8</u>
Dispute Notice	<u>Section 1.6(c)</u>
Duke Paranapanema	<u>Section 5.16</u>
Environmental Permits	<u>Section 3.16(a)(i)</u>
ERISA Affiliate	<u>Section 3.12(a)</u>
Estimated Adjustment Amount	<u>Section 1.5</u>
Estimated Adjustment Amount Statement	<u>Section 1.5</u>
Estimated Purchase Price	<u>Section 1.2</u>
Final Termination Date	<u>Section 7.1(c)</u>
Financial Statements	<u>Section 3.6</u>
Financing Arrangements	<u>Section 4.6(a)</u>
Fundamental Representations	<u>Section 8.1</u>
GSF Settlement Agreement	<u>Section 5.20</u>

IGA	Section 5.12(g)
Incremental Withholding Taxes	Section 1.8(b)(iv)
Initial Termination Date	Section 7.1(c)
Intellectual Property	Section 3.18(b)
Intercompany Indebtedness	Section 3.19(b)
June 2016 Financial Statements	Section 3.6(a)
Leases	Section 3.14(a)
Leased Real Property	Section 3.14(a)
Non-U.S. Benefit Plan	Section 3.12(c)
Owned Real Property	Section 3.14(a)
Paranapanema Concession Agreement	Section 5.17
Paranapanema SPA	Section 5.17
Party	Preamble
Purchase Price	Section 1.2
Purchase Price Allocation Statement	Section 5.12(i)
Purchaser	Preamble
Purchaser Guaranty	Recitals
Purchaser Indemnified Party	Section 8.2
Purchaser Termination Fee	Section 7.3(a)(ii)
Purchaser Required Consents	Section 4.3
Purchaser Required Statutory Approvals	Section 4.4
Purchaser Withholding Liabilities	Section 1.8(b)(iv)
Representatives	Section 5.4(a)
Restructuring Transactions	Section 1.7
Section 338(g) Elections	Section 5.13(i)
Section 338(g) Forms	Section 5.13(i)
Section 338(g) Notice Documents	Section 5.13(i)
Seller	Preamble
Seller Counsels	Section 10.6
Seller Guaranty	Recitals
Seller Indemnified Party	Section 8.3
Seller Plans	Section 5.6(e)
Seller Required Statutory Approvals	Section 2.4
Seller Marks	Section 5.9(a)
Seller Withholding Liabilities	Section 1.8.(b)(v)
Services Provider	Section 5.22(a)
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Tax Matter	Section 5.13(e)
Tax Reps and Covenants	Section 8.1
Third Party Claim	Section 8.5(b)
Transaction	Section 1.1

Transition Services
Violation

Section 5.22(a)

Section 2.3

9.2 Definitions. Except as otherwise expressly provided in this Agreement, whenever used in this Agreement (including the Schedules), the following terms will have the meanings indicated below:

(a) “Acquired Companies” means, collectively, the Company, the Company Subsidiaries and the Project Companies and each, individually, an “Acquired Company.”

(b) “Action” means any civil, criminal, labor, social security, environmental, administrative or any other claim, action, suit, proceeding or arbitration by or before any Governmental Entity.

(c) “Adjustment Amount” means an amount in U.S. dollars equal to the sum, which may be a positive or negative number, of (A) (i) the Net Working Capital as of the Deemed Closing Time, minus (ii) the June 30 Net Working Capital, the result of which may be a positive or negative number, and (B) (i) the June 30 Total Indebtedness, minus (ii) the Total Indebtedness as of the Deemed Closing Time, the result of which may be a positive or negative number. For purposes of the Adjustment Amount, the Intercompany Indebtedness shall be deemed to have been repaid and discharged immediately prior to the Deemed Closing Time.

(d) “Affiliate” means, with respect to any Person or group of Persons, a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person or group of Persons; provided that any Person (other than any Acquired Company or any Affiliate of an Acquired Company) that owns Equity Interests in any Project Company shall be deemed not to be an Affiliate of any of the Acquired Companies. “Control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities or other Equity Interests, by contract or otherwise.

(e) “Brazil Regulatory Approvals” means the approvals of the Brazilian Antitrust Agency (“CADE – Conselho Administrativo de Defesa Econômica”) and the National Agency of Electrical Energy (“ANEEL – Agência Nacional de Energia Elétrica”).

(f) “Business Day” means a day other than a Saturday or Sunday or any other day on which banks are not required to be open or are authorized to close in New York, New York, Sao Paulo, Brazil, Luxembourg, Hong Kong or Beijing, China.

(g) “Code” means the Internal Revenue Code of 1986, as amended.

(h) “Company Material Adverse Effect” means any change or event that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on (x) the businesses, assets, financial condition or results of operations of the Acquired Companies, taken as a whole, or (y) the ability of Seller to consummate the transactions contemplated by this Agreement or perform its obligations hereunder; provided however, with respect to subparagraph (x), that none of the following shall constitute or be taken into account in determining whether there has been or is a Company Material Adverse Effect: (i) any changes, events or developments in the international, national, regional, state or local economy or financial, securities or credit markets (including changes in prevailing interest rates); (ii) any changes, events or developments in the international, national, regional, state or local (A) industry in which an Acquired Company operates or (B) regulatory or political conditions; (iii) any changes, events or developments relating to “acts of war” (whether or not declared), armed hostilities or terrorism or relating to national security; (iv) any changes that result from natural disasters or “acts of God” or other “force majeure” events; (v) any changes in weather conditions, customer usage patterns or hydrology; (vi) any performance by Purchaser, Seller or any of their respective Affiliates of their respective obligations, covenants or agreements contained in this Agreement (including any actions required to be taken by Purchaser, Seller or any of their respective Affiliates that are not in violation of this Agreement and that are taken to obtain any Required Statutory Approval); (vii) any action taken or omitted to be taken (A) by Purchaser or (B) by Seller or an Acquired Company at the request or with the consent of Purchaser or which is expressly permitted by this Agreement; (viii) any effects or conditions (including any loss of, or adverse change in, the relationship of an Acquired Company with its respective customers, employees (including any employee departures or labor union or labor organization activity), regulators, financing sources or suppliers) proximately caused by, or resulting from, the announcement of this Agreement, the pendency of the transactions contemplated by this Agreement or the identity of Purchaser or any of its Affiliates; (ix) any changes in (A) any Law (including Environmental Laws and any interpretation or enforcement thereof by any Governmental Entity), regulatory policies or industry standards, or (B) accounting standards, principles or interpretations; (x) any change in the financial condition or results of operation of an Acquired Company, including a reduction in the credit rating, solely to the extent attributable to any action of Purchaser or its Affiliates or the transactions expressly contemplated or permitted by this Agreement; (xi) any changes in the costs of commodities or supplies, including fuel, or changes in the price of electricity; (xii) any effects or conditions proximately caused by, or resulting from, the consummation for the Restructuring Transactions, if any; except, in the case of clauses (i) through (v), (ix) or (xi) above, to the extent that any such change, event, effect, circumstance or occurrence has a disproportionate effect on the businesses, assets, financial condition or results of operations of the Acquired Companies, relative to other Persons who are in the hydroelectric power business in Brazil.

- (i) “Company Shares” means the 634,592,113 shares of the Company, par value (U.S.) \$1.00 per share.
- (j) “Company Subsidiary” means each of the Persons set forth in Schedule 3.5(a) of the Seller Disclosure Schedules.
- (k) “Confidentiality Agreement” means the Confidentiality Agreement, dated March 18, 2016, between Purchaser and Parent.
- (l) “Consent” means any consent, approval, authorization, order, filing, registration or qualification of, by or with any Person.
- (m) “Consultation Threshold” means the individual amount set forth in Schedule 9.2 of the Seller Disclosure Schedules under “Consultation Threshold.”
- (n) “Damages” means Liabilities, demands, claims, suits, actions, or causes of action, losses, costs, expenses, damages and judgments, whether or not resulting from third party claims (including reasonable fees and expenses of attorneys and accountants).
- (o) “Environmental Law” means any foreign, federal, state or local Law or applicable Governmental Order relating to (i) pollution, (ii) protection of human health or safety (to the extent human health or safety relate to exposure to Hazardous Substances), (iii) the treatment, disposal, emission, discharge, use, storage, burial, transportation, handling, recycling, reclamation, cleanup, Release or threatened Release of, or exposure to, Hazardous Substances or (iv) the preservation and protection of the environment (including natural resources, air, surface or subsurface land, waters and historic and archeological heritage).
- (p) “Equity Interests” means shares of capital stock, limited liability company, partnership or other equity interests or any security, right, subscription, warrant, option, “phantom” stock right or Contract of any kind convertible into or exchangeable or exercisable for any shares of capital stock, limited liability company, partnership or other equity interests.
- (q) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- (r) “Final Order” means an action by the relevant regulatory authority which has not been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which any waiting period prescribed by Law before the transactions contemplated hereby may be consummated has expired (but without the requirement for expiration of any applicable rehearing or appeal period), and as to which all conditions to the consummation of such transactions prescribed by Law, regulation or order have been satisfied.

(s) “GAAP” means generally accepted accounting principles as applied in Brazil or the United States, as applicable.

(t) “Governmental Entity” means any supranational, national, federal, state, municipal or local governmental or quasi-governmental or regulatory authority (including a national securities exchange or other self-regulatory body), agency, court, commission or arbitrator or other similar entity, domestic or foreign.

(u) “Governmental Order” means any order, decree, ruling, injunction, judgment or similar act of or by any Governmental Entity.

(v) “GSF Matter” means the portion affecting the Acquired Companies in the lawsuit 0034944-23.2015.4.01.3400 filed by APINE – Associação dos Produtores Independentes de Energia Elétrica, which addresses the financial impact of hydrologic risk and the mechanisms for its allocation among the different agents of the Brazilian power sector, including the Acquired Companies.

(w) “GSF Reserve Amount” means the reserve amount for the GSF Matter on the books of the applicable Acquired Company as of the Closing Date, determined in accordance with GAAP, converted into U.S. dollars based on the exchange rate for selling released by the Central Bank of Brazil on the second Business Day prior to Closing.

(x) “GSF Settlement Amount” means, if the GSF Settlement Agreement is entered into prior to Closing, the actual amount paid or required to be paid by any Acquired Company under the GSF Settlement Agreement.

(y) “Hazardous Substance” means any material, substance or waste (whether liquid, gaseous or solid) that (i) requires removal, remediation or reporting under any Environmental Law, or is listed, classified or regulated as a “pollutant,” “contaminant,” “hazardous waste” or “hazardous substance” (or other similar term) pursuant to any applicable Environmental Law or (ii) is regulated under applicable Environmental Laws as being toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, including any petroleum product or by-product, petroleum-derived substances wastes or breakdown products, asbestos or polychlorinated biphenyls.

(z) “Indebtedness” has the meaning given to it in the definition of “Total Indebtedness.”

(aa) “Indemnified Party” means a Purchaser Indemnified Party or a Seller Indemnified Party, as the case may be.

(bb) “Indemnifying Party” means Seller for the purpose of Section 8.2 and Purchaser for the purpose of Section 8.3, as the case may be.

(cc) “Independent Accountants” means an internationally recognized firm of accountants appointed as mutually agreed by Purchaser and Seller (and which firm in any case does not serve as the independent auditor of Purchaser or Seller); provided that if Purchaser and Seller are unable to agree on an such firm, Seller shall propose two such firms neither of which shall have provided services to Seller or its Affiliates during the prior two years, and Purchaser shall select one; provided that if Purchaser does not provide notice of its selection within ten (10) Business Days, Seller shall be entitled to select one of the proposed firms to serve as Independent Accountants.

(dd) “IRS” means the United States Internal Revenue Service.

(ee) “June 30 Net Working Capital” means the Net Working Capital of the Acquired Companies on a combined basis as of June 30, 2016, as derived from the June 2016 Financial Statements.

(ff) “June 30 Total Indebtedness” means the Total Indebtedness of the Acquired Companies on a combined basis as of June 30, 2016, as derived from the June 2016 Financial Statements.

(gg) “Knowledge” when used with respect to the Company, means the actual knowledge of any fact, circumstance or condition of those officers of the Company or its Affiliates set forth in Schedule 9.2(2)(a) of the Seller Disclosure Schedules and to the extent set forth in Schedule 9.2(2)(a) of the Seller Disclosure Schedules; when used with respect to Seller, means the actual knowledge of any fact, circumstance or condition of those officers of Seller or its Affiliates set forth in Schedule 9.2(2)(b) of the Seller Disclosure Schedules and to the extent set forth in Schedule 9.2(2)(b) of the Seller Disclosure Schedules; and when used with respect to Purchaser, means the actual knowledge of any fact, circumstance or condition of those officers of Purchaser or its Affiliates set forth in Schedule 9.2(2)(c) of the Purchaser Disclosure Schedules and to the extent set forth in Schedule 9.2(2)(c) of the Purchaser Disclosure Schedules.

(hh) “Law” means any law, statute, ordinance, regulation, code, or rule of or by any Governmental Entity or any arbitrator.

(ii) “Liabilities” means any and all liabilities or Indebtedness of any nature (whether direct or indirect, absolute or contingent, liquidated or unliquidated, due or to become due, accrued or unaccrued, matured or unmatured, asserted or unasserted, determined or determinable and whenever or however arising).

(jj) “Lien” means any lien, claim, security interest, pledge, mortgage, encumbrance, other adverse claim, conditional sale agreement, title retention contract, restriction on transfer, deed restriction, claim, easement, right of first refusal, option to purchase, proxy, voting trust or voting agreement, earn out or revenue sharing (whether or not vested) or any similar interest or any restrictions on the creation of any of the foregoing, and, in all cases, whether relating to any property or right or the income or profits therefrom.

(kk) “Losses” means any losses, damages, claims, fees, fines, costs and expenses, interest, awards, settlements, Liabilities, recourses, judgments and penalties (including reasonable attorneys’ fees).

(ll) “Net Working Capital” means (without duplication) the amount (expressed as a positive or negative number) equal to (i) the total current assets of the Acquired Companies on a combined basis, minus (ii) the total current liabilities of the Acquired Companies on a combined basis, in each case (A) excluding current and deferred Tax assets and current and deferred Tax liabilities, (B) adjusted for the relevant ownership of each Acquired Company by the Company, (C) measured as of the time immediately prior to the consummation of, and without giving effect to, the transactions contemplated hereby and (D) determined in accordance with the methodology used in the preparation of Schedule 9.2(3) of the Seller Disclosure Schedules, and otherwise in accordance with GAAP; provided that to the extent that there is any conflict between the provisions of this definition, the application of GAAP and Schedule 9.2(3) of the Seller Disclosure Schedules, the provisions of this definition shall control; provided, further, for the avoidance of doubt, that the GSF Matter shall in no event be taken into account in the calculation of Net Working Capital.

(mm) “Non-Company Affiliate” means any Affiliate of Seller, except for any of the Acquired Companies.

(nn) “Operating Contract” means any Contract (i) providing for the purchase, sale, supply, transportation, storage, parking, loaning, distribution, wheeling, facility or meter construction, unloading, delivery or balancing, or transmission of electric power, water, gas, coal, oil or other fuel, energy, capacity or ancillary services, (ii) interconnection Contracts, or (iii) any other Contract for the operation, management and/or maintenance of any assets of any of the Acquired Companies.

(oo) “Organizational Documents” means, with respect to any corporation, its articles or certificate of incorporation, memorandum or articles of association and by-laws or documents of similar substance; with respect to any limited liability company, its articles or certificate of organization, formation or association and its operating agreement or limited liability company agreement or documents of similar substance; with respect to any limited partnership, its

certificate of limited partnership and partnership agreement or documents of similar substance; and with respect to any other entity, documents of similar substance to any of the foregoing.

(pp) “Parent” means Duke Energy Corporation, a Delaware corporation and an Affiliate of Seller.

(qq) “Permits” means all permits, licenses, franchises, registrations, variances, authorizations, Consents, orders, certificates and approvals obtained from or otherwise made available by any Governmental Entity or pursuant to any Law.

(rr) “Permitted Liens” means (i) any Liens for Taxes not yet due or delinquent or which are being contested in good faith by appropriate proceedings, (ii) Liens of warehousemen, mechanics and materialmen and other similar statutory Liens incurred in the ordinary course of business for amounts not yet due and payable or being contested by appropriate proceedings, (iii) any Liens that do not materially detract from the value or present use of any of the applicable property, rights or assets of the businesses or materially interfere with the use thereof as currently used, (iv) zoning, entitlement, conservation, restriction or other land use or environmental regulation by any Governmental Entity that do not materially impact the present use of the assets of the Acquired Companies, (v) any Lien arising under (A) the Organizational Documents of each Acquired Company or (B) any shareholders or similar agreement to which any Acquired Company is a party or by which it is bound, in each case a true and correct copy of which was provided to Purchaser prior to the date hereof.

(ss) “Person” means any natural person, firm, partnership, association, corporation, company, joint venture, trust, business trust, Governmental Entity or other entity.

(tt) “Post-Closing Payment” means an amount (positive or negative) equal to the Estimated Adjustment Amount minus the actual Adjustment Amount.

(uu) “Post-Closing Tax Period” means any Tax period (or portion thereof) beginning after the Closing Date.

(vv) “PRC Regulatory Approvals” means the approvals in the People’s Republic of China set forth on Schedule 4.4 of the Purchaser Disclosure Schedules.

(ww) “Pre-Closing Tax Period” means any Tax period ending on or before the Closing Date.

(xx) “Project Company” means each of the Persons set forth in Schedule 3.5(b) of the Seller Disclosure Schedules.

(yy) “Purchaser Disclosure Schedules” means the disclosure schedules delivered by Purchaser to Seller on the date of this Agreement.

(zz) “Purchaser Guarantor” means China Three Gorges International Corporation, incorporated pursuant to the laws of the People’s Republic of China, headquartered at No. 1 Yuyuantan South Road, Haidian District, 100038, Beijing, China.

(aaa) “Purchaser Material Adverse Effect” means any material adverse effect on the ability of Purchaser or Purchaser Guarantor to consummate the transactions contemplated by this Agreement or perform its obligations hereunder or under the Purchaser Guaranty, as the case may be.

(bbb) “Real Property” means the Owned Real Property, the Leased Real Property and the Concession Real Property, if any.

(ccc) “Release” means the release, spill, emission, leaking, pumping, pouring, emptying, escaping, dumping, injection, deposit, disposal, discharge, dispersal, seeping, leaching or migrating of Hazardous Substances into or through the environment.

(ddd) “Relevant Aggregate Interim Period Amount” means the aggregate amount set forth in Schedule 9.2(4) of the Seller Disclosure Schedules.

(eee) “Relevant Interim Period Amount” means the individual amount set forth in Schedule 9.2(5) of the Seller Disclosure Schedules.

(fff) “Relevant Material Contract Amount” means the amount set forth in Schedule 9.2(6) of the Seller Disclosure Schedules.

(ggg) “Remedial Action” means all action to (i) clean up, remove, treat or remediate Hazardous Substances in the environment; (ii) restore or reclaim the environment or natural resources; (iii) mitigate a Release of Hazardous Substances so that they do not migrate, endanger or threaten to endanger public health or the environment; or (iv) perform remedial investigations, feasibility studies, corrective actions, closures and postremedial or postclosure studies, investigations, operations, maintenance and monitoring on, about or in any real property.

(hhh) “Required Statutory Approvals” means the Seller Required Statutory Approvals, Company Required Statutory Approvals and Purchaser Required Statutory Approvals, to the extent relating to filings, waivers, approvals, consents, authorizations and notices required to be made with, obtained from or provided to a Governmental Entity prior to the Closing.

(iii) “Seller Disclosure Schedules” means the disclosure schedules delivered by Seller to Purchaser on the date of this Agreement.

(jjj) “Seller Material Adverse Effect” means any change or event that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Seller or Seller Guarantor to consummate the transactions contemplated by this Agreement or the Seller Guaranty or perform its obligations hereunder or under the Seller Guaranty, as the case may be.

(kkk) “Seller Guarantor” means Duke Energy Corporation, a Delaware corporation.

(lll) “Straddle Period” means any Tax period that begins on or before the Closing Date and ends after the Closing Date.

(mmm) “Subsidiary” means, with respect to any Person (for the purposes of this definition, the “parent”), any other Person (other than a natural person), whether incorporated or unincorporated, of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is directly or indirectly owned or controlled by the parent or by one or more of its respective Subsidiaries or by the parent and any one or more of its respective Subsidiaries.

(nnn) “Tax” or “Taxes” means any and all taxes, including any interest, penalties or other additions to tax, that may become payable in respect thereof, imposed by any Governmental Entity, which taxes shall include all income taxes, profits taxes, payment or fee-in-lieu-of-taxes (and similar taxes) pursuant to any agreement with any Governmental Entity entered into, and as in effect, prior to the Closing, taxes on gains, alternative minimum taxes, estimated taxes, payroll taxes, employee withholding taxes, unemployment insurance taxes, social security taxes, welfare taxes, disability taxes, severance taxes, license charges, taxes on stock, sales taxes, harmonized sales taxes, use taxes, ad valorem taxes, value added taxes, excise taxes, goods and services taxes, franchise taxes, gross receipts taxes, occupation taxes, real or personal property taxes, land transfer taxes, stamp taxes, environmental taxes, transfer taxes, workers’ compensation taxes, windfall taxes, net worth taxes and other taxes of the same or of a similar nature to any of the foregoing and shall include any liability for such amounts under applicable Law as a result of being a transferee or successor.

(ooo) “Tax Returns” means all tax returns, declarations, statements, reports, schedules, forms and information returns and any amendments to any of the foregoing relating to Taxes.

(ppp) “Taxing Authority” means the IRS and any other domestic or foreign Governmental Entity responsible for the administration or collection of any Taxes, including any national, federal, state and local Governmental Entity with such responsibility.

(qqq) “Total Indebtedness” means (without duplication) the amount (expressed as a positive number) equal to the sum of (i) all obligations for borrowed money of the Acquired Companies on a combined basis, (ii) any other obligations owed by an Acquired Company under any credit agreement or facility, or evidenced by any note, bond, debenture or other debt security or instrument made or issued by such Acquired Company, (iii) all obligations for the deferred purchase price of property or services with respect to which an Acquired Company is liable (but shall not include any purchase order commitments, any accounts payable, accruals for expenses and other similar obligations), (iv) all capitalized lease obligations of an Acquired Company to the extent classified as such in accordance with GAAP, (v) obligations under any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate cap, swap or collar agreement or other similar agreement designed to protect against fluctuations in interest rates or other currency fluctuations or commodity hedging transactions, (vi) in the nature of a guaranty of any of the obligations described in clauses (i) through (v) above of another Person, and (vii) all interest, premium and prepayment penalties due and payable in respect of any of the foregoing, in each case (A) measured as of the time immediately prior to the consummation of, and without giving effect to, the transactions contemplated hereby (but only if and to the extent the foregoing are retained by the Acquired Companies immediately following the Closing), (B) determined in accordance with the methodology used in the preparation of Schedule 9.2(7) of the Seller Disclosure Schedules, and otherwise in accordance with GAAP, (C) adjusted for the relevant ownership of each Acquired Company by the Company, and (D) excluding any items taken into account in the definition of Net Working Capital; provided that to the extent that there is any conflict between the provisions of this definition, the application of GAAP and Schedule 9.2(7) of the Seller Disclosure Schedules, the provisions of this definition shall control; provided, further, and notwithstanding anything to the contrary in this Agreement, the regulatory charge liability from the Concession Agreement – Reserva Global de Reversão (RGR) shall be deemed as part of the Total Indebtedness of the Acquired Companies for purposes of calculating Total Indebtedness as of the Deemed Closing Time and not, for the avoidance of doubt, for purposes of the June Total Indebtedness. The categories of indebtedness set forth in clauses (i) through (vii) above are referred to as “Indebtedness” in this Agreement.

(rrr) “Transfer Taxes” means any and all transfer Taxes (excluding Taxes measured in whole or in part by net income), including sales, use, excise, goods and services, stock, conveyance, gross receipts, registration, business and occupation, securities transactions, real estate, land transfer, stamp, documentary, notarial, filing, recording, permit, license, authorization and similar Taxes.

(sss) “Virtual Data Room” means the virtual data room containing documents and information relating to, among other things, the Acquired Companies and their respective businesses and the Company Shares, made available by the Company in electronic form to Purchaser.

(ttt) “Willful Breach” means a breach or failure to perform that is a consequence of an act or a failure to act by a party with the actual knowledge that the taking of such act or failure to act would, or both, result in a breach of this Agreement.

9.3 Interpretation. In this Agreement, unless otherwise specified, the following rules of interpretation apply:

(a) references to Sections, Schedules, Annexes, Exhibits and Parties are references to sections or sub-sections, schedules, annexes and exhibits of, and parties to, this Agreement;

(b) the section and other headings contained in this Agreement are for reference purposes only and do not affect the meaning or interpretation of this Agreement;

(c) words importing the singular include the plural and vice versa;

(d) references to the word “including” do not imply any limitation;

(e) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement;

(f) references to “\$” or “dollars” refer to United States dollars; and

(g) the term “material” when used with respect to the Company, means material to the Acquired Companies, taken as a whole, and when used with respect to Purchaser means material to Purchaser and its Subsidiaries, taken as a whole.

ARTICLE X

GENERAL PROVISIONS

10.1 Notices. All notices, requests and other communications to any Party hereunder shall be in writing (including electronic facsimile transmission) and shall be given by delivery in person, by an internationally recognized overnight courier service, by facsimile or certified mail (postage prepaid, return receipt requested) or by email, receipt confirmed via reply of the intended recipient (other than an automatically generated response or confirmation) (with a confirmation copy to be given by delivery in person or internationally recognized courier service or certified mail) to such Party at the following addresses (or at such other address or electronic facsimile number for a Party as shall be specified in a notice given in accordance with this Section 10.1):

(a) if to Purchaser or, after the Closing, to the Company, to:

China Three Gorges (Luxembourg) Energy S.a.r.l.
40, Avenue Monterey
L-2163 Luxembourg
Attention: Yinsheng Li
Email: li_yinsheng@ctgpc.com.cn

with a copy to:

White & Case LLP
1155 Avenue of the Americas
New York, New York, 10036
Attention: Oliver Brahmst
Facsimile No.: (212) 354-8113
Email: obrahmst@whitecase.com

and

White & Case LLP
Av. Brig. Faria Lima
2.277 - 4th Floor
São Paulo
01452-000
Attention: John Anderson
Facsimile No.: +55 11 3147 5611
Email: janderson@whitecase.com

(b) if to Seller or, after the Closing, to the Company, to:

Duke Energy International Group S.a.r.l. OR Duke Energy
International Brazil Holdings S.a.r.l.
c/o Duke Energy Corporation
550 South Tryon Street, DEC-45A
Attention: Greer Mendelow, Deputy General Counsel
Facsimile No.: 980-373-9962
Email: Greer.Mendelow@duke-energy.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, DC 20005
Attention: Pankaj K. Sinha, Esq.
Facsimile No.: 202-661-8238

Email: Pankaj.Sinha@skadden.com

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and if such day is a Business Day. Otherwise, any such notice, request or other communication shall be deemed not to have been received until the next succeeding Business Day.

10.2 Amendments and Waivers. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Party to this Agreement, or in the case of a waiver, by the Party against whom the waiver is to be effective. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. No failure or delay by any Party in exercising any right hereunder 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.

10.3 Assignment; Binding Effect. Except as contemplated by the Restructuring Transactions, this Agreement may not be assigned by a Party by operation of Law or otherwise without the express written consent of the other Party, and any attempt to assign this Agreement without such consent shall be void and of no effect. Notwithstanding the foregoing, (a) Purchaser may assign this Agreement or its rights and obligations under this Agreement, in whole or in part, to one or more Affiliates or one or more of its designees or co-investors (including the right to acquire and receive any portion or all of the Company Shares directly from Seller at Closing, as directed by Purchaser); provided, however, that no such assignment shall relieve Purchaser of any of its obligations hereunder, and (b) Purchaser or any such Affiliate or designee or co-investor may collaterally assign its rights hereunder to its financing sources and lenders. Notwithstanding the foregoing, if such an assignment occurs, Purchaser shall notify Seller in writing thereof and Seller acknowledges and agrees that Purchaser shall have the sole right to exercise any and all rights of any such assignee under or in connection with this Agreement, including, without limitation, (i) any consent to any amendment, supplement or modification of this Agreement, (ii) the granting of any waivers or consents, (iii) the determination of whether all of the conditions precedent to the obligations of Purchaser to consummate the transactions contemplated by this Agreement have been satisfied (or whether any unsatisfied condition precedent shall be waived such that Purchaser shall be obligated to consummate the transactions contemplated by this Agreement) and (iv) whether to terminate this Agreement in any circumstance in which Purchaser is entitled to terminate this Agreement pursuant to its terms. In addition, notwithstanding the foregoing, Seller may conclusively rely upon, without independent verification or investigation, all decisions made by and all actions taken or omitted to be taken by Purchaser on behalf of any assignee pursuant to or under this Agreement, whether or not Purchaser assigns any of its rights or obligations hereunder to one or more of its Affiliates or designees or co-investors. Subject to the preceding sentences,

this Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respective successors and assigns (including, for the avoidance of doubt, successor(s) or assign(s) of Seller as a result of the Restructuring Transactions).

10.4 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York, without regard to the conflict of laws rules thereof.

(b) All actions or proceedings arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement shall be heard and determined exclusively in any federal court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such action or proceeding, such action or proceeding shall be heard and determined exclusively in any state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding sentence, the Parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or New York state court sitting in the Borough of Manhattan of The City of New York for the purpose of any action or proceeding arising out of or relating to this Agreement brought by any Party, (ii) irrevocably waive, and agree not to assert by way of motion, defense or otherwise, in any such action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action or proceeding is brought in an inconvenient forum, that the venue of the action or proceeding is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts and (iii) irrevocably consent to and grant any such court exclusive jurisdiction over the Person of such Parties and over the subject matter of such action or proceeding and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 10.1 or in such other manner as may be permitted by applicable Law shall be valid and sufficient service thereof.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH (i) THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR (ii) ANY FINANCING WHETHER NOW EXISTING OR HEREAFTER PROVIDED OR COMMITTED TO BE PROVIDED. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN

INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS CONTAINED IN THIS SECTION 10.4(c).

10.5 Specific Performance. The Parties recognize and agree that if for any reason any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or damage would be caused for which money damages would not be an adequate remedy. Accordingly, each Party agrees that, in addition to any other available remedies, each Party shall be entitled to seek to enforce specifically the terms and provisions of this Agreement or to seek an injunction restraining any breach or violation or threatened breach or violation of any of the provisions of this Agreement without the necessity of posting a bond or other form of security. In the event that any action or proceeding should be brought in equity to enforce the provisions of this Agreement, no Party shall allege, and each Party hereby waives the defense, that there is an adequate remedy at Law.

10.6 Waiver.

(a) It is acknowledged by the Parties that Seller and the Company have used or retained the counsel set forth in Schedule 10.6 of the Seller Disclosure Schedules to act as their counsel in connection with the transactions contemplated by this Agreement (“Seller Counsels”) and that Seller Counsels have not acted as counsel for any other Person in connection with the transactions contemplated by this Agreement for conflict of interest or any other purposes. Purchaser agrees that any attorney-client privilege and the expectation of client confidence attaching as a result of Seller Counsels’ representation of Seller and the Company related to the preparation for, and negotiation and consummation of, the transactions contemplated by this Agreement, including all communications among Seller Counsels and Seller, the Acquired Companies and/or their respective Affiliates in preparation for, and negotiation and consummation of, the transactions contemplated by this Agreement, shall survive the Closing and shall remain in effect. Furthermore, effective as of the Closing, (i) all communications (and materials relating thereto) between the Acquired Companies, on the one hand, and Seller Counsels or any other legal counsel or financial advisor, on the other hand, related to the preparation for, and negotiation and consummation of, the transactions contemplated by this Agreement are hereby assigned and transferred to Seller, (ii) the Acquired Companies hereby release all of their rights and interests to and in such communications and related materials and (iii) the Acquired Companies hereby release any right to assert or waive any privilege related to the communications referenced in this Section 10.6; except, in each case, with respect to or in connection with any request by Governmental Entities, provided that Purchaser shall have used commercially reasonable efforts to resist such request.

(b) Purchaser agrees that, notwithstanding any current or prior representation of the Acquired Companies by Seller Counsels, Seller Counsels shall be allowed to

represent Seller or any of its Affiliates in any matters and disputes adverse to Purchaser and/or the Acquired Companies that either is existing on the date hereof or arises in the future and relates to this Agreement and the transactions contemplated hereby; and Purchaser and the Acquired Companies hereby waive any conflicts or claim of privilege that may arise in connection with such representation. Further, Purchaser agrees that, in the event that a dispute arises after the Closing between Purchaser or the Company and Seller or any of its Affiliates, Seller Counsels may represent Seller or its Affiliate in such dispute even though the interests of Seller or its Affiliate may be directly adverse to Purchaser or the Acquired Companies and even though Seller Counsels may have represented the Acquired Companies in a matter substantially related to such dispute.

(c) Purchaser acknowledges that any advice given to or communication with Seller or any of its Affiliates (other than the Acquired Companies) by Seller Counsels shall not be subject to any joint privilege and shall be owned solely by Seller or its Affiliates; except, in each case, with respect to or in connection with any request by Governmental Entities, provided that Purchaser shall have used commercially reasonable efforts to resist such request. Purchaser hereby acknowledges that it has had the opportunity to discuss and obtain adequate information concerning the significance and material risks of, and reasonable available alternatives to, the waivers, permissions and other provisions of this Agreement, including the opportunity to consult with counsel other than Seller Counsels.

10.7 Entire Agreement; Severability.

(a) This Agreement, the Disclosure Schedules, the Seller Guaranty, the Purchaser Guaranty and the Confidentiality Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both oral and written, between the Parties with respect to the subject matter hereof and thereof.

(b) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all of the other terms and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order for the transactions contemplated by this Agreement to be consummated as originally contemplated to the greatest extent possible.

10.8 Disclosure Schedules. There may be included in the Seller Disclosure Schedules or the Purchaser Disclosure Schedules (collectively, the "Disclosure Schedules") items and information, the disclosure of which is not required either in response to an express disclosure

requirement contained in a provision hereof or as an exception to one or more representations or warranties contained in Article II, Article III or Article IV or to one or more covenants contained in Article V. Inclusion of any items or information in the Disclosure Schedules shall not be deemed to be an acknowledgment or agreement that any such item or information (or any non-disclosed item or information of comparable or greater significance) is “material” or constitutes a Company Material Adverse Effect or to affect the interpretation of such term for purposes of this Agreement. The Disclosure Schedules set forth items of disclosure with specific reference to the particular Section and/or subsection of this Agreement to which the items or information in such Disclosure Schedules relates; provided, however, that any information set forth in one section or subsection pertaining to the representations, warranties and covenants of the Seller Disclosure Schedules or the Purchaser Disclosure Schedules, as the case may be, shall be deemed to apply to each other section or subsection thereof pertaining to representations, warranties and covenants to the extent that it is reasonably apparent on its face that it is relevant to such other sections or subsections of the Seller Disclosure Schedules or the Purchaser Disclosure Schedules, as the case may be. Any action taken by Seller or an Acquired Company in compliance with the covenants set forth in Sections 5.1(a)(ii) through (xvi) (including if the actions set forth in Sections 5.1(a)(ii) through (xvi) are taken with Purchaser’s prior written consent) shall be deemed to automatically update the relevant sections of the Seller Disclosure Schedules (corresponding to ARTICLE II and ARTICLE III hereof) for all purposes under this Agreement.

10.9 No Third Party Beneficiaries. Except as provided in Section 5.7, this Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person other than Seller, Purchaser and their respective successors and permitted assigns, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

10.10 Expenses. Except as otherwise set forth in this Agreement, all costs and expenses (including fees and expenses of counsel and financial advisors) incurred in connection with this Agreement or the transactions contemplated hereby shall be paid by the Party incurring such costs or expenses, whether or not the Closing shall have occurred, except that costs incurred by the Acquired Companies in connection with all filing and court fees shall be shared one-half by Seller and one-half by Purchaser.

10.11 Currency. All amounts payable to or by any Party under this Agreement shall be paid in United States dollars, unless otherwise expressly specified. All amounts set forth in this Agreement are denominated in United States dollars unless otherwise expressly specified. In the event any conversion between United States dollars and another currency is required in connection with this Agreement for any reason, other than as otherwise specified in this Agreement or the Seller Disclosure Schedules, such conversion shall be based on the average of the exchange rates for such

conversion published in *The Wall Street Journal* on each of the five (5) Business Days preceding October 8, 2016 or such other day on which this Agreement or the Disclosure Schedules specify such conversion is to be calculated (provided that it is acknowledged that the Seller Disclosure Schedules were prepared based on the average of the exchange rates for such conversion published in *The Wall Street Journal* on each of the five (5) Business Days preceding March 31, 2016). If *The Wall Street Journal* is not published on the Business Day in question, then the exchange rate published in *The New York Times* on such Business Day shall be used or, if neither *The Wall Street Journal* nor *The New York Times* is published on such Business Day, then the exchange rate quoted on such Business Day, or quoted on the nearest Business Day preceding such Business Day, by Citibank, N.A. (or its successor) in New York City, New York, shall be used.

10.12 Sovereign Immunity Waiver. Purchaser acknowledges and agrees that the transactions contemplated by the provisions of this Agreement are commercial in nature rather than governmental or public, and acknowledges and agrees that it is not entitled to any right of immunity on the grounds of sovereignty or otherwise with respect to such activities or in any legal action or proceeding arising out of or relating to this Agreement in respect of itself or its properties and revenues. Purchaser expressly and irrevocably waives any right of immunity which may now or hereafter exist (including any immunity from any legal process, from the jurisdiction of any court or from any attachment prior to judgment, attachment in aid of execution, execution or otherwise), and agrees not to assert, and to ensure that no person asserts on its behalf, any such right or claim in any such action or proceeding, whether in the United States of America or otherwise.

10.13 Counterparts. This Agreement may be executed and delivered (including by facsimile or other electronic transmission) in one or more counterparts, and each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. The facsimile or other electronic transmission of any signed original counterpart of this Agreement shall be deemed to be the delivery of an original counterpart of this Agreement.

10.14 Acknowledgment. The Company hereby acknowledges the sale and purchase of the Company Shares under the terms and conditions of this Agreement for the purposes of article 190 of the Luxembourg law on commercial companies dated 10 August 1915, as amended, and of article 1690 of the Luxembourg civil code.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first above written.

DUKE ENERGY INTERNATIONAL GROUP S.À R.L.

By: /s/ Armando De Azevedo Henriques

Name: Armando De Azevedo Henriques

Title: Category A Manager

By: /s/ Xavier De Cillia

Name: Xavier De Cillia

Title: Category B Manager

**DUKE ENERGY INTERNATIONAL BRAZIL HOLDINGS
S.À.R.L.**

By: /s/ Armando De Azevedo Henriques

Name: Armando De Azevedo Henriques

Title: Category A Manager

By: /s/ Xavier De Cillia

Name: Xavier De Cillia

Title: Category B Manager

**CHINA THREE GORGES (LUXEMBOURG) ENERGY
S.A.R.L.**

By: /s/ Li Yinsheng

Name: Li Yinsheng

Title: Proxy Holder of Manager Class B

Exhibit 2.2

PURCHASE AND SALE AGREEMENT

by and among

DUKE ENERGY BRAZIL HOLDINGS II, C.V.,

DUKE ENERGY INTERNATIONAL URUGUAY INVESTMENTS SRL,

DUKE ENERGY INTERNATIONAL GROUP S.A.R.L.,

DUKE ENERGY INTERNATIONAL ESPAÑA HOLDINGS SL,

DUKE ENERGY INTERNATIONAL INVESTMENTS NO. 2 LTD.,

ISQ ENERLAM AGGREGATOR, L.P.

and

ENERLAM (UK) HOLDINGS LTD.

Dated as of October 10, 2016

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- Exhibit C Form of Seller Guarantor Guaranty
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- Exhibit E Form of Deposit LC

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement"), dated as of October 10, 2016, is entered into by and among Duke Energy Luxembourg IV, S.a.r.l., a Luxembourg société à responsabilité limitée ("DEL IV"), in its capacity as general partner for and on behalf of Duke Energy Brazil Holdings II, C.V., a limited partnership formed under the laws of the Netherlands ("DEBH II"), Duke Energy International Uruguay Investments SRL, a Uruguay entity ("DEI Uruguay" and each of DEBH II and DEI Uruguay, a "Seller," and together, "Sellers"), Duke Energy International Group S.a.r.l., a Luxembourg société à responsabilité limitée ("DEIG"), Duke Energy International España Holdings SL, a Spain sociedad limitada ("DEI España"), Duke Energy International Investments No. 2 Ltd., a Bermuda exempted company ("DEII No. 2" and each of DEIG, DEI España, and DEII No. 2, a "Company," and together, the "Companies"), ISQ Enerlam Aggregator, L.P., a limited partnership organized under the laws of the Cayman Islands ("Purchaser 1") and Enerlam (UK) Holdings Ltd., a United Kingdom private limited company ("Purchaser 2" and together with Purchaser 1 "Purchasers"). Each of Sellers, Purchasers and the Companies is sometimes referred to individually herein as a "Party" and collectively as the "Parties." Certain other terms are defined throughout this Agreement and in Section 9.2.

WITNESSETH:

WHEREAS, Sellers own all of the Company Shares;

WHEREAS, Purchasers desire to purchase from Sellers, and Sellers desire to sell to Purchasers, all of the Company Shares owned by each such Seller, upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Companies own, directly or indirectly, the Equity Interests in the Company Subsidiaries set forth in Schedule 3.5(a) of the Seller Disclosure Schedules and the Equity Interests in the Project Companies set forth in Schedule 3.5(b) of the Seller Disclosure Schedules having operations in Argentina, Chile, Ecuador, El Salvador, Guatemala and Peru (the "Relevant Countries");

WHEREAS, Purchaser 1 anticipates that it will assign all of its rights and delegate all of its obligations under this Agreement to (x) Enerlam Peru S.A.C., a Peru sociedad anónima cerrada ("PeruCo"), and (y) Enerlam (España) Holdings S.R.L., a Spain sociedad de responsabilidad limitada ("SpainCo"), and Sellers are willing to permit such assignment and delegation on the terms and conditions set forth in the Purchaser Assignment (as defined below), so that following the effective date of the Purchaser Assignment, for all purposes of this Agreement, PeruCo will be "Purchaser 1", SpainCo will be "Purchaser 2", the former Purchaser 2 will become "Purchaser 3" and Purchaser 1, Purchaser 2 and Purchaser 3, as then constituted, will collectively be the "Purchasers";

WHEREAS, Purchaser Guarantor, simultaneously with the execution and delivery of this Agreement, has agreed pursuant to a Guaranty, dated as of the date hereof, by Purchaser Guarantor in favor of Sellers (the "Purchaser Guaranty") in the form attached hereto as Exhibit A to guarantee the obligations of Purchasers under this Agreement; and

WHEREAS, Sellers Guarantor, simultaneously with the execution and delivery of this Agreement, has agreed pursuant to a Guaranty, dated as of the date hereof, by Sellers Guarantor in favor of Purchasers (the "Sellers Guaranty") in the form attached hereto as Exhibit C to guarantee the obligations of Sellers under this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and warranties made in this Agreement and of the mutual benefits to be derived therefrom, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties to this Agreement, intending to be legally bound, agree as follows:

ARTICLE I

SALE AND PURCHASE OF SHARES

1.1 Sale and Purchase of Shares. Upon the terms and subject to the conditions of this Agreement, at the Closing, each Purchaser shall purchase and accept from each Seller, and each Seller shall sell and convey to each Purchaser, the number of the Company Shares set forth opposite such Seller's name in Schedule 1.1 of the Seller Disclosure Schedules, which in the aggregate constitute 100% of the outstanding Company Shares, free and clear of all Liens (the "Transaction").

1.2 Purchase Price. The consideration to be paid by Purchasers to Sellers in respect of the purchase of the Company Shares shall be an amount in cash equal to the sum of EIGHT HUNDRED NINETY MILLION DOLLARS (\$890,000,000.00) and the Estimated Adjustment Amount (together, the "Estimated Purchase Price"), subject to adjustment as determined pursuant to Section 1.6 (as adjusted, the "Purchase Price"). The Purchase Price shall be allocated to each Seller in accordance with the percentages set forth on Schedule 1.2 of the Seller Disclosure Schedules (such percentage, each Seller's "Allocable Portion"), and shall be reduced by the applicable withholding Taxes determined in accordance with Section 1.5(b).

1.3 Closing. The closing of the Transaction (the "Closing") shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, at 10:00 a.m., New York time, as soon as practicable, but in any event not later than the fifteenth (15th) Business Day immediately following the date on which the last of the conditions contained in ARTICLE VI is fulfilled or waived (except for those conditions which by their nature can only be fulfilled at the Closing, but subject to the fulfillment or waiver of such

conditions), or at such other place, time and date (the “Closing Date”) as the Parties may agree. The Closing shall be deemed to have occurred for all purposes at 12:01 a.m. New York time on the Closing Date. All actions listed in Section 1.4 that occur on the Closing Date shall be deemed to occur simultaneously at the Closing.

1.4 Closing Deliveries. At the Closing:

(a) Sellers shall provide to Purchasers the original shareholders register of each Company duly updated to evidence the transfer of the Company Shares to Purchasers or such other documentation as may be reasonably required under applicable Law to evidence the transfer of the Company Shares to Purchasers.

(b) Sellers shall provide a copy of the minutes of the general meeting of the shareholders of DEIG approving the transfer of the Company Shares of DEIG to Purchasers.

(c) Purchasers shall pay to each Seller an amount in cash equal to such Seller’s Allocable Portion of the Estimated Purchase Price (such amount being subject to further adjustment pursuant to Section 1.6) for the Company Shares delivered by the applicable Seller, by wire transfer of immediately available funds to the bank account or accounts designated by each Seller at least five (5) Business Days prior to the Closing; provided that the Tax Basis Certificates shall have been obtained as set forth in Section 6.3(f) at least five (5) Business Days prior to the expected Closing Date. If the Tax Basis Certificates have not been so obtained by such date, then no later than two (2) Business Days following such date, Sellers and Purchasers shall execute the Basis Certificate Escrow Agreement, and, on the Closing Date, Purchasers shall pay the Estimated Purchase Price into the Basis Certificate Escrow Account.

(d) To the extent permitted by Law, Sellers shall deliver to Purchasers the resignations or removals of the officers and directors and other persons set forth in Schedule 1.4 of the Seller Disclosure Schedules, each to be effective as of the Closing Date, from their position as officer or director, or other position as set forth opposite the name of such officer, director or person in Schedule 1.4 of the Seller Disclosure Schedules.

(e) Subject to Section 5.20, each Party shall deliver a counterpart of the Transition Services Agreement, duly executed on behalf of such Party or its Affiliates, as applicable.

(f) Sellers shall deliver to Purchasers a deed of adherence, in form and substance reasonably agreeable to both Parties, to be executed by a Spanish notary public, and take all such other actions and execute and deliver all such documents or instruments as may be required under the Laws of Spain to validly transfer to Purchasers of all of the Equity Interests in DEI España.

(g) Each Party shall deliver such other documents and instruments required to be delivered by it pursuant to

ARTICLE VI.

1.5 Estimated Adjustment Amount.

(a) Not less than fourteen (14) Business Days prior to the expected Closing Date, Sellers shall deliver to Purchasers a written statement (the "Estimated Adjustment Amount Statement") setting forth Sellers' good faith calculation of the estimate of the Adjustment Amount as of the expected Closing Date (the "Estimated Adjustment Amount"), which estimate shall be based on Sellers' review of the financial information of the Acquired Companies then available to Sellers and shall be used in determining the payment of the Purchase Price referred to in Section 1.2. Commencing with Sellers' delivery of the Estimated Adjustment Amount Statement, Purchasers shall have reasonable access to the books and records and personnel of the Acquired Companies and the reasonable opportunity to consult with Sellers and their respective Representatives for purposes of evaluating the Estimated Adjustment Amount Statement. If Purchasers shall reasonably disagree, in good faith, with any item set forth in the Estimated Adjustment Amount Statement or used to determine the Estimated Adjustment Amount, then Purchasers shall deliver written notice of such disagreement to Sellers no later than five (5) Business Days following delivery of the Estimated Adjustment Amount Statement and Purchasers and Sellers shall work, in good faith, to reach agreement on such disputed items. In no event shall any discussions or communications between Sellers and Purchasers, if any, with respect to any of Purchasers' disagreements to the Estimated Adjustment Amount Statement under this Section 1.5(a) delay the Closing. In the event that Purchasers and Sellers do not agree to any adjustment to the Estimated Adjustment Amount Statement, then the Estimated Adjustment Amount Statement delivered by Sellers shall constitute the Estimated Adjustment Amount. Notwithstanding the foregoing, Purchasers' agreement with the Estimated Adjustment Amount (or any item set forth in the Estimated Adjustment Amount Statement) shall not foreclose, prevent, limit or preclude any rights or remedy of Purchasers set forth in this Agreement.

(b) Notwithstanding any other provision of this Agreement (but subject to Section 1.6(e) and Section 8.6(c)), any Party making a payment pursuant to this Agreement shall be entitled to deduct and withhold (or cause to be deducted and withheld) from such payment such amounts as may be required to be deducted or withheld therefrom under applicable Tax Law; provided, however, that prior to making such deduction or withholding, the Party proposing to do so must provide written notice to the other Party at least twenty (20) Business Days prior to the applicable date of payment of the reason and amount (including the calculation of such proposed amount and supporting data) of such withholding, and shall reasonably cooperate with such other Party in order to reduce, limit or avoid such deduction or withholding to the maximum extent permissible under applicable Law, including by affording the Party in

respect of whom such withholding is proposed the opportunity to provide such Tax forms or other documentation that would eliminate or reduce the amount to be so withheld. Any amounts deducted or withheld in accordance with the preceding sentence shall be timely remitted to the applicable Taxing Authority, and any amounts so deducted or withheld and remitted shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction and withholding was made; provided, however, that the Party making any such deduction or withholding shall furnish to the other Party official receipts (or copies thereof) evidencing the payment of any such Taxes to the applicable Taxing Authority. Purchasers and Sellers shall agree at least five (5) Business Days prior to the Closing on the amount of any withholding tax required to be withheld from the Estimated Purchase Price and any other payments to be paid at Closing. Purchasers and Sellers shall agree on the amount of any withholding Tax required to be withheld from any Post-Closing Payment at least five (5) Business Days prior to the date such payment is payable. Notwithstanding the foregoing, if the Parties fail to agree, notwithstanding their good faith efforts, on the amount of any required withholding for Tax, each Party shall be entitled to withhold Tax that it in good faith determines (based on the advice of its Tax advisors) is required by applicable Law to be withheld from any payment due to the other Party and shall promptly remit the same to the applicable Taxing Authority; provided, however, that upon Sellers' written request, Purchasers shall withhold Peruvian Taxes in connection with the sale of the Company Shares pursuant to this Agreement (including those Peruvian Taxes attributable to any deemed or indirect transfer of an interest in any Acquired Company triggered by the sale of the Company Shares) solely in the amount determined and indicated by Sellers based on the advice of their Tax advisors (including if such amount is zero). Sellers shall reimburse Purchasers for all reasonable costs and expenses incurred or required to be paid by Purchasers in connection with any escrow arrangement for such Peruvian Taxes, promptly and in any event within ten (10) Business Days after Purchaser Representative delivers to Sellers a reasonably detailed invoice for such costs and expenses.

1.6 Post-Closing Payment.

(a) As promptly as practicable, and in any event not later than ninety (90) days after the Closing Date, Purchasers shall prepare and deliver to Sellers a written statement (the "Adjustment Amount Statement") setting forth in reasonable detail Purchasers' calculation of the Adjustment Amount as of the Closing Date, as derived from Purchasers' review of the financial information and other books and records of the Acquired Companies and, based thereon, a statement of Purchasers' calculation of the Post-Closing Payment.

(b) Purchasers and the Companies shall cooperate and provide Sellers and their respective Representatives reasonable access to Purchasers' and the Acquired Companies' respective employees, officers and facilities and Purchasers' and the Acquired Companies' respective books and records during normal business hours as is reasonably

necessary to allow Sellers and their respective Representatives to review the Adjustment Amount Statement.

(c) Sellers may, in good faith, reasonably dispute the Adjustment Amount Statement by delivery of written notice thereof (a “Dispute Notice”) to Purchasers within sixty (60) days following receipt by Sellers of the Adjustment Amount Statement. The Dispute Notice shall set forth in reasonable detail all items disputed by Sellers, together with Sellers’ proposed changes thereto, including an explanation in reasonable detail of the basis on which Sellers propose such changes. If (i) by written notice to Purchasers, Sellers accept the Adjustment Amount Statement or (ii) Sellers fail to deliver a Dispute Notice within the prescribed sixty-day (60-day) period (which failure shall result in Sellers being deemed to have agreed to the Adjustment Amount Statement delivered by Purchasers), the Adjustment Amount Statement delivered by Purchasers, and the Adjustment Amount reflected therein, shall become final and binding on Sellers and Purchasers as of the date on which the earlier of the foregoing events occurs. In the event of a dispute, the undisputed portion, if any, of the Post-Closing Payment shall be paid in accordance with Section 1.6(e) within five (5) Business Days following the date on which the amount of such undisputed portion was determined in accordance with this Section 1.6(c).

(d) If Sellers have timely delivered a Dispute Notice, then Purchasers and Sellers shall use Reasonable Best Efforts to reach agreement on the matters identified in the Dispute Notice. If, by the thirtieth (30th) day following Purchasers’ receipt of the Dispute Notice, Purchasers and Sellers have not agreed in writing to the resolution of any of the matters identified in the Dispute Notice, then such unresolved matters shall be submitted to the Independent Accountants to resolve such matters specified in the Dispute Notice that remain in dispute in accordance with the procedures set forth in this Section 1.6(d). Purchasers and Sellers shall instruct the Independent Accountants to prepare and deliver a revised Adjustment Amount Statement (including the calculation of the Post-Closing Payment) to Purchasers and Sellers within thirty (30) days (or such longer period as may be reasonably required by the Independent Accountants) of the referral of such dispute to the Independent Accountants, taking into account all items not in dispute between Purchasers and Sellers (to be included in the revised Adjustment Amount Statement in the amounts agreed by Purchasers and Sellers) and those unresolved items requested by Purchasers and Sellers to be resolved by the Independent Accountants. Purchasers and Sellers shall furnish or cause to be furnished to the Independent Accountants access to such employees, officers, and facilities and such books and records relating to the disputed items as the Independent Accountants may reasonably request. The fees and expenses of the Independent Accountants shall be borne fifty percent (50%) by Sellers, on the one hand, and fifty percent (50%) by Purchasers, on the other hand. The revised Adjustment Amount Statement (including the calculation of the Adjustment Amount and the Post-Closing Payment reflected therein) delivered by the Independent Accountants shall be final and binding upon Purchasers and

Sellers; provided, however, that in no event shall (i) Purchasers be obligated to make any payment to Sellers under Section 1.6(e) in excess of the amount that would have been payable using Purchasers' calculation of the Post-Closing Payment as set forth in the Adjustment Amount Statement delivered by Purchasers, but taking into account the changes proposed by Sellers set forth in the Dispute Notice or (ii) Sellers be obligated to make any payment to Purchasers under Section 1.6(e) in excess of the amount that would have been payable using Purchasers' calculation of the Post-Closing Payment as set forth in the Adjustment Amount Statement delivered by Purchasers. The Independent Accountants shall act as an expert, not as an arbitrator.

(e) If the Post-Closing Payment is a negative amount, then Purchasers shall pay to each Seller its Allocable Portion of the Post-Closing Payment, reduced by the applicable withholding Taxes determined in accordance with Section 1.5(b); provided, however, that Purchasers and Sellers shall cooperate in good faith to mitigate to the extent possible any such withholding Taxes; provided, further, that if such Post-Closing Payment implies a reduction of the Purchase Price subject to Peruvian Taxes, Purchasers will reasonably cooperate with Sellers in order for Sellers to obtain a refund of any excess Peruvian Taxes paid or withheld. If the Post-Closing Payment is a positive amount, then each Seller shall pay to Purchasers the Post-Closing Payment, reduced by the applicable withholding Taxes determined in accordance with Section 1.5(b); provided, however, that Purchasers and Sellers shall cooperate in good faith to mitigate to the extent possible any such withholding Taxes. The Parties shall remit any Taxes withheld from any Post-Closing Payment and provide evidence thereof in accordance with Section 1.5(b). Each payment (if any) required by this Section 1.6(e) shall be made within five (5) Business Days following the date the Post-Closing Payment is deemed to be finally determined pursuant to this Section 1.6, except to the extent any payment in respect of undisputed amounts has been paid pursuant to Section 1.6(c). All payments required to be made pursuant to this Section 1.6 shall be made by wire transfer of immediately available funds to the bank account or accounts designated by the Party or Parties receiving such payment at least five (5) Business Days prior to the date such payment is due; provided, however, that if the Post-Closing Payment is a negative amount and the Tax Basis Certificates have not been obtained at least five (5) Business Days prior to the date such payment is due (such that they are valid), Purchasers shall pay such Post-Closing Payment into the Basis Certificate Escrow Account.

(f) Purchasers and Sellers agree to treat, and to cause their respective Affiliates to treat, for all Tax purposes, any payment made under this Section 1.6, to the maximum extent permitted by applicable Law, as an adjustment to the Purchase Price.

1.7 Purchase Agreement Deposit.

(a) In consideration of the time and expense of Sellers and the Companies in negotiating and executing this Agreement, Purchasers have agreed to provide a deposit of EIGHTY-NINE MILLION DOLLARS (\$89,000,000) (the "Purchase Agreement Deposit") which will be funded, held, retained or released as provided in this Section 1.7. The Purchase Agreement Deposit shall be funded by delivery to Sellers of one or more irrevocable standby letters of credits issued by Citibank N.A. (the "Issuer") substantially in the form set forth in Exhibit E attached hereto with an expiry date no sooner than 190 days after the date of this Agreement (each a "Deposit LC"), which provides, among other things, that Sellers may draw against the Deposit LC by making a demand for payment or draw thereunder (a "Draw Notice") if this Agreement is terminated pursuant to Section 7.1(e), Section 7.1(f), Section 7.1(j) or pursuant to Section 7.1(b) or Section 7.1(c), if at such time Sellers had the right to terminate this Agreement pursuant to Section 7.1(e) (disregarding any notice or cure period therein) or Section 7.1(f) (any such termination, a "Draw Event"). Purchasers shall deliver to a designee of Sellers (i) as soon as possible after the date of this Agreement, but no later than 5:00 PM Eastern Prevailing Time on Wednesday, October 12, 2016, a Deposit LC having an undrawn face amount equal to FORTY-FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$44,500,000) (the "Initial Deposit LC"), and (ii) no later than 5:00 PM Eastern Prevailing Time on Friday October 14, 2016, a Deposit LC having an undrawn face amount equal to, either, at Purchasers' option, FORTY-FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$44,500,000) or EIGHTY-NINE MILLION DOLLARS (\$89,000,000) (the "Supplemental Deposit LC"). If the undrawn face amount of the Supplemental Deposit LC is EIGHTY NINE MILLION DOLLARS (\$89,000,000), Seller shall promptly deliver to the Issuer a written notice terminating the Initial Deposit LC and return to Purchasers the original of the Initial Deposit LC. In the event that Purchasers fail to deliver to the designee of the Sellers the Initial Deposit LC by 5:00 PM Eastern Prevailing Time on October 13, 2016 or the Supplemental Deposit LC no later than 5:00 PM Eastern Prevailing Time on October 17, 2016, Sellers shall have the right to terminate this Agreement.

(b) Until the occurrence of a Draw Event, each Seller agrees that it will not issue a Draw Notice under any Deposit LC. Upon and at any time following the occurrence of a Draw Event, Sellers shall be authorized and entitled to deliver a Draw Notice to the Issuer under any Deposit LC and to draw and receive the full of amount of the Purchase Agreement Deposit (or the face amount of the Initial Deposit LC in the event the Initial Deposit LC has been delivered but the Supplemental Deposit LC has not been delivered; provided that, nothing in the foregoing shall limit Sellers' right to receive the full amount of the Purchase Agreement Deposit as provided in this Section 1.7.

(c) Notwithstanding any provision to the contrary contained herein, the Purchase Agreement Deposit shall be nonrefundable by Sellers except in the event that this Agreement is duly and validly terminated:

(i) by either Party pursuant to Section 7.1(a), Section 7.1(b), Section 7.1(c), Section 7.1(h) or Section 7.1(i); or

(ii) by Purchasers pursuant to Section 7.1(d) (including for the avoidance of doubt, any failure of the condition set forth in Section 6.2(e) to be satisfied) or Section 7.1(g);

provided that, in each case, (i) except for any termination pursuant to Section 7.1(a), the Party seeking to terminate this Agreement is not in material breach of any representation, warranty, covenant or agreement of that Party, such that the other Party would have the right to terminate this Agreement pursuant to Section 7.1(c), Section 7.1(d) or Section 7.1(e) (in each case, disregarding any notice or cure period therein), as applicable, and (ii) if both Parties are in breach of this Agreement at the time Purchasers seek to terminate this Agreement, the breach by Purchasers shall be disregarded for purposes of determining the right to termination.

If this Agreement is terminated under the circumstances referred to in the prior sentence (any such termination, a “Refundable Termination Event”), Sellers shall deliver written notice of cancellation to the Issuer and return to Purchasers the original of any outstanding Deposit LC. If the Closing occurs, Sellers, at their option, may either (x) issue a Draw Notice under any outstanding Deposit LC and, if drawn, Sellers shall apply the proceeds against such portion of the Estimated Purchase Price payable to such Seller at Closing or (y) return the originals of all outstanding Deposit LCs to Purchasers in exchange for a contemporaneous payment by Purchasers to Sellers of immediately available United States dollars in an aggregate amount equal to the aggregate undrawn amount of all outstanding Deposit LCs returned to Purchasers, with such payment to be applied against the portion of the Estimated Purchase Price payable to such Seller at Closing. If this Agreement is terminated under circumstances in which there is a Draw Event, Sellers may issue a Draw Notice under any outstanding Deposit LC and, if drawn, shall be entitled to the proceeds thereof as liquidated damages pursuant to Section 7.1(e).

(d) If this Agreement is terminated and Sellers would have been entitled to retain the Purchase Agreement Deposit pursuant to Section 1.7(c) but the Purchase Agreement Deposit has not been received by the Sellers (including as a result of the inability to draw on the Letter of Credit upon or after a Draw Event), then Purchasers shall pay to the Sellers or its designee an amount in cash equal to the amount of the Purchase Agreement Deposit, less any portion of the Purchase Agreement Deposit that has previously been delivered to Sellers, if any, (such amount, the “Deposit True-Up Amount”). The Deposit True-Up Amount shall be paid no later than five Business Days after any such notice of termination. If Purchasers fail to pay the Deposit True-Up Amount when due pursuant to this Section 1.7(d), then interest shall accrue on the amount of the Deposit True-Up Amount from the date such payment was required to be paid pursuant to the terms of this Agreement until the date of payment as provided in Section 10.11. In addition, if Purchasers fail to pay the Deposit True-Up Amount when due, Purchasers shall also pay to Sellers all of Sellers and its Affiliates costs and expenses (including reasonable

attorneys' fees) in connection with efforts to collect the Deposit True-Up amount and interest thereon (at the rate provided in Section 10.11).

(e) The right to retain or receive payment of the Purchase Agreement Deposit (including any Deposit True-Up Amount and costs, expenses and interests pursuant to Section 1.7(d), if any) shall be the sole and exclusive remedy of Sellers and any of their respective, direct or indirect, former, current or future general or limited partners, managers, members, stockholders, officers, directors, Affiliates, employees, representatives, agents, successors and assigns (collectively, the "Seller Related Parties") against Purchasers and any of their respective, direct or indirect, former, current or future general or limited partners, managers, members, stockholders, officers, directors, Affiliates, employees, representatives, agents, successors and assigns (collectively, the "Purchaser Related Parties"), including for any Damages or other Liability of any kind suffered as a result of any breach of any representation, warranty, covenant or agreement in this Agreement, and upon such termination and retaining or payment of the Purchase Agreement Deposit (including any Deposit True-Up Amount and costs, expenses and interests pursuant to Section 1.7(d), if any), none of the Purchasers, or any of the Purchaser Related Parties shall have any further liability or obligation relating to or arising out of this Agreement including any knowing and intentional breach of any representation, warranty, covenant or agreement by any Purchaser Related Party or the failure of the Transaction to be consummated. Notwithstanding anything herein to the contrary, if any Purchaser fails to effect the Closing for any or no reason or otherwise breaches this Agreement or fails to perform hereunder (in any case, whether willfully, intentionally, unintentionally or otherwise) the Seller Related Parties sole and exclusive remedy (whether at law, in equity, in contract, in tort or otherwise) against any Purchaser Related Party shall be to terminate this Agreement and retain or receive the Purchase Agreement Deposit (including any Deposit True-Up Amount and costs, expenses and interests pursuant to Section 1.7(d), if any) as provided in this Section 1.7. Nothing in this Section 1.7 shall limit the rights of any Seller under (and any Seller may bring Action to enforce and may recover in respect of) the Confidentiality Agreement, or Section 10.12, or any other provisions that expressly survive the termination of this Agreement.

(f) The Parties acknowledge that the agreements contained in this Section 1.7 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the Parties would not enter into this Agreement. Solely for purposes of establishing the basis for the Purchase Agreement Deposit, and without in any way increasing the amount of the Purchase Agreement Deposit or expanding the circumstances in which the Purchase Agreement Deposit may be retained or received by Sellers, it is agreed that the Purchase Agreement Deposit (including any Deposit True-Up Amount and costs and expenses and interest pursuant to Section 1.7(d), if any), is a liquidated damage, and not a penalty.

1.8 Pre-Closing Restructuring.

(a) Prior to the Closing, each Seller shall use Reasonable Best Efforts to take or cause to be taken the actions set forth on Exhibit B hereto substantially in the form described thereon (collectively, the “Restructuring Transactions”).

(b) Unless otherwise expressly indicated, (i) references herein to a “Company,” including references throughout the representations and warranties (including Section 3.5 and Schedules 3.5(a), 3.5(b) and 3.5(c) of the Seller Disclosure Schedules), shall be deemed to mean such Company as it shall be constituted after consummation of the Restructuring Transactions and (ii) references in Article II and Article III to “transactions contemplated hereby” or “transactions contemplated by this Agreement” shall not be deemed to include any reference to the Restructuring Transactions. Notwithstanding any other provision contained herein to the contrary, (i) the consummation of the Restructuring Transactions shall not constitute a breach of any representation, warranty or covenant contained herein, (ii) no representation or warranty is made with respect to the Companies as constituted prior to the Restructuring Transactions or the Restructuring Transactions themselves and (iii) in no event shall the consummation of the Restructuring Transactions be deemed to cause a Company Material Adverse Effect for the purposes of this Agreement.

1.9 DEIG Shares. DEL IV, in its capacity as general partner of DEBH II, a limited partnership formed under the laws of the Netherlands, acquired and holds legal title to all DEIG Shares for and on behalf of DEBH II. In furtherance to DEBH II’s obligation to transfer the DEIG Shares pursuant to Section 1.1, DEL IV shall transfer legal ownership of said shares to Purchasers on behalf of DEBH II.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller hereby represents and warrants to Purchasers as to itself, subject to Section 1.8, that:

2.1 Organization and Qualification. Such Seller is duly formed, validly existing and, to the extent such concept is recognized under applicable Law, in good standing under the laws of the jurisdiction of its formation and has full corporate, limited liability company, partnership or similar, as applicable, power and authority to own, lease and operate its assets and properties and to conduct its business as presently conducted, except where the failure to have such power and authority would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect on such Seller.

2.2 Authority. Such Seller has full corporate, limited liability company, partnership or similar, as applicable, power and authority to enter into this Agreement and,

subject to receipt of the Seller Required Statutory Approvals, to consummate the transactions contemplated hereby. The execution, delivery and performance by such Seller of this Agreement and the consummation by such Seller of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate, limited liability company, partnership or similar, as applicable, action on the part of such Seller, and no other proceedings or approvals on the part of such Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by such Seller and, assuming the due authorization, execution and delivery hereof by each other Party, constitutes the legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, except as limited by Laws affecting the enforcement of creditors' rights generally or by general equitable principles.

2.3 Non-contravention. The execution and delivery of this Agreement by such Seller does not, and the consummation of the transactions contemplated hereby will not, result in any violation or breach of or default (with or without notice or lapse of time or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation under (any such violation, breach, default, right of termination, cancellation or acceleration is referred to herein as a "Violation"), or result in the creation of any Lien upon any of the properties or assets of such Seller, pursuant to any provision of (a) the Organizational Documents of such Seller; (b) any Contract to which it is a party or by which it may be bound; or (c) subject to obtaining the Seller Required Statutory Approvals, any Law, Permit or Governmental Order applicable to it other than, in the case of clauses (b) and (c), any such Violation or Lien which would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect or a Seller Material Adverse Effect on such Seller.

2.4 Statutory Approvals. Except for the filings or approvals (a) set forth in Schedule 2.4 of the Seller Disclosure Schedules (the "Seller Required Statutory Approvals") and (b) as may be required due to the regulatory or corporate status of Purchasers or Purchaser Guarantor, no Consent of any Governmental Entity is required to be made or obtained by such Seller or its Non-Company Affiliates in connection with the execution and delivery of this Agreement or the consummation by such Seller or the Companies of the transactions contemplated hereby, except those which the failure to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect or a Seller Material Adverse Effect on such Seller.

2.5 Company Capitalization; Right and Title to Shares. The share capital of the Companies is set forth on Schedule 2.5 of the Seller Disclosure Schedules. There are issued and outstanding the number of Company Shares as set forth on Schedule 2.5 of the Seller Disclosure Schedule. All Company Shares are validly issued and fully paid. The Company Shares constitute all of the issued and outstanding Equity Interests in the Companies. As of the

Closing, such Seller will be the record and beneficial holder of, and will have good title to, the number of Company Shares set forth opposite its name in Schedule 2.5 of the Seller Disclosure Schedules, with the exception of the DEIG Shares of which DEL IV is the legal owner, in its capacity as general partner for and on behalf of DEBH II. As of the Closing, such Seller and, with respect to the DEIG Shares, DEL IV will hold such Company Shares free and clear of all Liens, other than those arising from this Agreement and in relation to, the DEIG Shares, arising pursuant to this Agreement and the limited partnership agreement of DEBH II or Dutch law in relation to limited partnerships such as DEBH II. Upon giving effect to Section 1.9 and the consummation of the purchase and sale under Section 1.1, Purchasers, collectively, will own all of the issued and outstanding Company Shares, free and clear of all Liens (other than any Liens created by Purchasers), and the Company Shares will represent all of the outstanding Equity Interests of the Companies which entitled the holder of those Equity Interests to vote on any matter, or participate in the profits and losses of the Companies or receive distributions of assets of the Companies (whether as dividends, distributions, on liquidation or otherwise) or otherwise receive any economic benefits associated with the ownership of Equity Interests.

2.6 Litigation. There is no Action pending or, to the Knowledge of such Seller, threatened against such Seller that, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect on such Seller. Subject to obtaining the Seller Required Statutory Approvals, there are no Governmental Orders of or by any Governmental Entity applicable to such Seller except for such that would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect or a Seller Material Adverse Effect on such Seller.

2.7 Brokers and Finders. Such Seller has not entered into any agreement or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, except Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC, whose fees and expenses shall be paid by such Seller or its direct or indirect parent companies.

2.8 Compliance with Laws. Except as set forth in Schedule 2.8 of the Seller Disclosure Schedules or as would not reasonably be expected to be material and adverse to the Acquired Companies (taken as a whole), since December 31, 2013, neither such Seller nor any of its Affiliates has received written notice from any Governmental Entity of, or been charged in writing by any Governmental Entity with, any violation of, or, to the Knowledge of such Seller, is in violation of, or is under investigation with respect to any violation of, any Law or Governmental Order. Such Seller and each of its Subsidiaries (other than the Acquired Companies) is in compliance in all material respects with (a) applicable provisions of the USA PATRIOT Act of 2001, as amended, and any rules and regulations promulgated thereunder, (b)

the Foreign Corrupt Practices Act of 1977, as amended, and any rules and regulations promulgated thereunder, (c) the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and legislation implementing such Convention and (d) the United Kingdom Bribery Act of 2010, as amended, and any rules and regulations promulgated thereunder.

2.9 No Other Representations and Warranties. Except for the representations and warranties contained in this Article II or Article III, neither Sellers nor any other Person acting on behalf of Sellers makes any representation or warranty, express or implied, concerning Sellers, the Company Shares or the businesses, finances, operations, assets, liabilities, prospects or any other aspect of the Acquired Companies.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLERS RELATING TO THE COMPANIES

Sellers, jointly and severally, hereby represent and warrant to Purchasers, subject to Section 1.8, that:

3.1 Organization and Qualification. Each Acquired Company is duly formed, validly existing and, to the extent such concept is recognized under applicable Law, in good standing under the laws of the jurisdiction of its formation, has full corporate, limited liability company, partnership or similar, as applicable, power and authority to own, lease and operate its assets and properties and to conduct its business as presently conducted and is duly qualified to do business and, to the extent such concept is recognized under applicable Law, is in good standing as a foreign corporation, limited liability company or partnership or otherwise in all jurisdictions in which such qualification is necessary under applicable Law as a result of the conduct of its business or the ownership of its assets or properties, except for those jurisdictions where failure to have such power and authority or to be so qualified or in good standing would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

3.2 Authority. Each Company has full corporate, limited liability company, partnership or similar, as applicable, power and authority to enter into this Agreement and, subject to receipt of the Company Required Statutory Approvals, to consummate the transactions contemplated hereby. The execution, delivery and performance by each Company of this Agreement and the consummation by such Company of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate, limited liability company, partnership or similar, as applicable, action on the part of such Company, and no other proceedings or approvals on the part of such Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by each Company and, assuming the due authorization, execution and delivery hereof by each other Party, constitutes the legal, valid and binding obligation of such Company, enforceable against such Company in accordance with its terms, except as limited by Laws affecting the enforcement of creditors' rights generally or by general equitable principles.

3.3 Non-contravention. The execution and delivery of this Agreement by such Company and the consummation of the transactions contemplated hereby do not and will not result in any Violation, or result in the creation of any Lien upon any of the properties or assets of any Acquired Company, pursuant to any provision of (a) subject to obtaining the third-party Consents set forth in Schedule 3.3 of the Seller Disclosure Schedules (the "Company Required Consents"), the Organizational Documents of any Acquired Company; (b) subject to obtaining the Company Required Consents, any Contract to which any Acquired Company is a party or by which any Acquired Company may be bound; or (c) subject to obtaining the Seller Required Statutory Approvals and the Company Required Statutory Approvals, any Law, Consent, Permit or Governmental Order applicable to any Acquired Company, other than in the case of clauses (b) and (c), any such Violation or Lien which would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

3.4 Statutory Approvals. Except for the filings or approvals (a) set forth in Schedule 3.4 of the Seller Disclosure Schedules (the “Company Required Statutory Approvals”) and (b) as may be required due to the regulatory or corporate status of Purchasers or Purchaser Guarantor, no Consent of any Governmental Entity is required to be made or obtained by any Acquired Company in connection with the execution and delivery of this Agreement or the consummation by Sellers or the Companies of the transactions contemplated hereby, except those which the failure to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

3.5 Capitalization.

(a) Company Subsidiaries. Schedule 3.5(a) of the Seller Disclosure Schedules sets forth for each Company Subsidiary, subject to any actions that may be taken pursuant to Section 5.1(a) during the Interim Period: (i) its jurisdiction of formation; (ii) its authorized Equity Interests; (iii) the number of its issued and outstanding Equity Interests; (iv) the Equity Interests that are wholly or jointly owned, directly or indirectly, by any Company or any Person; and (v) the holder or holders of such Equity Interests that are wholly or jointly owned, directly or indirectly, by any Company or any Person. The Equity Interests of each Company Subsidiary that are owned, directly or indirectly, by any Company, as set forth in Schedule 3.5(a) of the Seller Disclosure Schedules, are owned free and clear of all Liens, other than as set forth in Schedule 3.5(a) of the Seller Disclosure Schedules, any Permitted Liens and any Liens arising from this Agreement. All of the issued and outstanding Equity Interests in each Company Subsidiary that are owned, directly or indirectly, by any Company have been duly authorized and, to the extent such concepts are recognized under applicable Law, are validly issued and fully paid.

(b) Project Companies. Schedule 3.5(b) of the Seller Disclosure Schedules sets forth for each Project Company: (i) its jurisdiction of formation; (ii) its authorized Equity Interests; (iii) the number of its issued and outstanding Equity Interests; (iv) the Equity Interests that are wholly or jointly owned, directly or indirectly, by any Company or any Person; and (v) the holder or holders of such Equity Interests that are wholly or jointly owned, directly or indirectly, by any Company or any Person. The Equity Interests of each Project Company that are owned, directly or indirectly, by any Company, as set forth in Schedule 3.5(b) of the Seller Disclosure Schedules, are owned free and clear of all Liens, other than as set forth in Schedule 3.5(b) of the Seller Disclosure Schedules, any Permitted Liens and any Liens arising from this Agreement. All of the issued and outstanding Equity Interests in each Project Company that are owned, directly or indirectly, by any Company have been duly authorized and, to the extent such concepts are recognized under applicable Law, are validly issued and fully paid.

(c) No Other Equity Interests. Except as set forth on Schedule 3.5(c) of the Seller Disclosure Schedules and any other Equity Interests acquired during the Interim Period in compliance with Section 5.1(a), no Company owns, directly or indirectly, any Equity Interests in any Person other than the Company Subsidiaries and the Project Companies. All of the issued and outstanding Equity Interests set forth on Schedule 3.5(c) that are owned, directly or indirectly, by any Company have been duly authorized and, to the extent such concepts are recognized under applicable Law, are validly issued and fully paid.

(d) Agreements with Respect to Company Shares and Equity Interests of the Acquired Companies. Except as set forth in Schedule 3.5(d) of the Seller Disclosure Schedules and except as provided for in the Organizational Documents of any Acquired Company, or as permitted during the Interim Period pursuant to Section 5.1(a), there are no:

(i) subscriptions, options, warrants, calls, conversion, exchange, purchase right or other written contracts, rights, Contracts or commitments of any kind obligating, directly or indirectly, any Acquired Company to issue, transfer, sell or otherwise dispose of, or cause to be issued, transferred, sold or otherwise disposed of, any Equity Interests of any Acquired Company or any securities convertible into or exchangeable for any such Equity Interests; or

(ii) Contracts, limited liability company agreements, partnership agreements, voting trusts, proxies or other agreements, instruments or understandings to which any Acquired Company is a party, or by which any Acquired Company is bound, relating to the voting of any shares of the Equity Interests of any Acquired Company.

3.6 Financial Statements. Schedule 3.6(a) of the Seller Disclosure Schedules contains true and complete copies of (a) the audited or unaudited, as applicable, statement of operations and statement of cash flows of those Acquired Companies as specified on Schedule 3.6(a) of the Seller Disclosure Schedules as indicated on such statements as of December 31, 2015 and balance sheet of each such Acquired Company on a combined basis as indicated on such statements as of December 31, 2015; and (b) the unaudited statement of operations and statement of cash flows of each Acquired Company as indicated on such statements as of and for the six (6) months ended June 30, 2016 and balance sheet of such Acquired Company as indicated on such statement as of June 30, 2016 (collectively, and with any notes thereto, the "Financial Statements"). Except as set forth in Schedule 3.6(b) of the Seller Disclosure Schedules, the Financial Statements (x) have been prepared in accordance with GAAP, consistently applied (except as may be noted therein), from the books and records of the Acquired Companies and (y) present fairly, in all material respects, the financial position, assets

and liabilities, results of operations and cash flows of the Acquired Companies on a combined basis, after giving effect to the Restructuring Transactions, as of the date indicated thereon and for the periods covered thereby.

3.7 Absence of Certain Changes or Events. Except as set forth in Schedule 3.7 of the Seller Disclosure Schedules, since December 31, 2015:

(a) there has not been any change, event, condition, circumstance, occurrence or development which has had, or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect or a Country Segment-Level Material Adverse Effect with respect to Peru; and

(b) each of the Acquired Companies has, in all material respects, conducted its business and operated its properties in the ordinary course of business.

3.8 No Undisclosed Liabilities. Except (a) for Liabilities as set forth in the Financial Statements, (b) for Liabilities incurred by the Acquired Companies since December 31, 2015 in the ordinary course of their respective businesses, consistent with past practice, (c) Liabilities incurred in connection with this Agreement or the Transaction, and (d) for Liabilities related to matters set forth on Schedule 3.8 of the Seller Disclosure Schedules, the Acquired Companies have no Liabilities of the nature required to be disclosed in a balance sheet prepared in accordance with GAAP.

3.9 Tax Matters. Except as set forth on Schedule 3.9 of the Seller Disclosure Schedules:

(a) All material Tax Returns required to be filed by each of the Acquired Companies have been timely filed and all such Tax Returns were true, correct and complete in all material respects.

(b) Each Acquired Company has timely paid all material Taxes (whether or not shown as due on a Tax Return) required to be paid by it under applicable Law and has timely withheld and paid over to the appropriate Taxing Authority all material Taxes required to be withheld and paid over by it under applicable Law. All Taxes not yet due and payable by the Acquired Companies have been properly accrued on the Financial Statements to the extent required by GAAP.

(c) No Acquired Company has received written notice of a pending or threatened audit, claim or assessment by any Taxing Authority in respect of any material Taxes of such Acquired Company, and there are no audits, claims or assessments regarding material Taxes pending against any of the Acquired Companies as of the date hereof.

(d) Except for Permitted Liens, there are no Liens with respect to material Taxes upon the assets of any Acquired Company.

(e) There currently are no outstanding agreements, consents or waivers to extend any statute of limitations filed by (or, to the Knowledge of Sellers, on behalf of) an Acquired Company with any Taxing Authority in respect of any material Tax Return of such Acquired Company, or in respect of any material Taxes payable by such Acquired Company.

(f) No Acquired Company (i) is or was a member of an affiliated group of companies filing combined, consolidated, aggregate or unitary income Tax Returns (except for a group of which an Acquired Company is the common parent), or (ii) is a party to or bound by, or liable for any material Taxes of another Person as a result of, any material Tax allocation, sharing, indemnification or similar agreement, other than any such agreement entered into in the ordinary course of business the principal purpose of which is not to address Taxes.

(g) No Acquired Company has received a written claim from any Taxing Authority in a jurisdiction where such Acquired Company does not file Tax Returns or pay Taxes that such Acquired Company is required to file a Tax Return or is subject to taxation by that jurisdiction.

(h) There are no Tax rulings, requests for Tax rulings, closing agreements (as described in Section 7121 of the Code or any corresponding or similar provision of state, municipal, local, or foreign income Tax Law), technical advice memoranda or similar agreements entered into by or on behalf of any Acquired Company, in each case with respect to material Taxes.

(i) None of the Acquired Companies will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any Post-Closing Tax Period or for the portion of any Straddle Period beginning after the Closing Date as a result of any (i) intercompany transaction consummated prior to the Closing or excess loss account existing prior to the Closing, in either case described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of State, municipal, local or foreign income Tax Law), (ii) installment sale or open transaction disposition made prior to the Closing outside the ordinary course of business, (iii) prepaid amount received prior to the Closing outside the ordinary course of business, or (iv) change in Tax accounting method made prior to Closing that would be applicable to a Post-Closing Tax Period or the portion of any Straddle Period beginning after the Closing Date.

(j) Notwithstanding any other provision of this Agreement, (i) the representations and warranties contained in the foregoing subsections of this Section 3.9 constitute the sole and exclusive representations and warranties relating to any Taxes or Tax Returns and (ii) the representations and warranties in this Section 3.9 are made only with respect to Tax periods (or portions thereof) ending on or prior to the Closing Date, and shall not be relied upon for any Tax positions taken by Purchasers and their Affiliates (including the Acquired Companies) in any Tax period (or portion thereof) beginning after the Closing Date.

3.10 Litigation. Except as set forth in Schedule 3.10 of the Seller Disclosure Schedules, there is no Action pending or, to the Knowledge of Sellers, threatened against any Acquired Company or affecting the assets or properties of any Acquired Company that, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

3.11 Compliance with Laws.

(a) Except as set forth on Schedule 3.11(a) of the Seller Disclosure Schedule, since December 31, 2013, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect:

(i) The Acquired Companies are and have been in compliance in all material respects with all applicable Laws; and

(ii) No Acquired Company has been given written notice by any Governmental Entity of, or been charged in writing by any Governmental Entity with, any violation of, or, to the Knowledge of Sellers, is in violation of, or is under investigation with respect to any violation of, any Law or Governmental Order.

(b) This Section 3.11 does not relate to Tax matters, which are instead the subject of Section 3.9, employee benefits matters, which are instead the subject of Section 3.12, Permits, which are instead the subject of Section 3.13, or environmental matters, which are instead the subject of Section 3.16.

3.12 Employee Benefits.

(a) Schedule 3.12(a) of the Seller Disclosure Schedules contains a list, as of the date hereof, of each material bonus, incentive or deferred compensation, pension, retirement, profit-sharing, savings, employment, consulting, compensation, stock purchase, stock option, phantom stock or other equity-based compensation, severance pay, termination, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life, loan, educational assistance and other fringe benefit plans, programs, Contracts and arrangements (exclusive of any such plan, program, agreement or arrangement established or maintained solely as required by applicable Law or provided for in a CBA) maintained by any Acquired Company or any trade or business, whether or not incorporated, that together with such Acquired Company would be deemed a "single employer" within the meaning of Section 4001 of ERISA (or has analogous treatment under applicable Law) (an "ERISA Affiliate") (the "Company Plans") for the benefit of or with respect to any current or former employee, officer, director or independent contractor of any Acquired Company.

(b) Except as set forth on Schedule 3.12(b) of the Seller Disclosure Schedules, each Company Plan is maintained exclusively by one or more Acquired Companies outside of the United States of America primarily for the benefit of individuals residing outside the United States of America (a "Non-U.S. Benefit Plan"). As of the date hereof, none of the Acquired Companies has incurred any material Liability arising out of or relating to Section 409A ("Section 409A") of the United States Internal Revenue Code of 1986, as amended (the "Code") and no conditions exists that could reasonably be expected to cause an Acquired Company to incur any such Liability.

(c) Since December 31, 2013, each Non-U.S. Benefit Plan has been administered in all material respects in compliance with its terms and applicable Law. There is no pending or, to the Knowledge of Sellers, threatened Action relating to the Non-U.S. Benefit Plans (other than routine claims for benefits).

(d) Without limiting the generality of the foregoing, since December 31, 2013 through the date hereof, none of the Acquired Companies has sponsored, maintained, participated in, contributed to or had any obligation to contribute to, or incurred any liability in respect of any defined benefit pension plan subject to Title IV of ERISA, other than remote and indirect contingent liability in respect of a plan, program agreement or arrangement maintained by Sellers or any ERISA Affiliates, which Liability is not reasonably expected to be imposed upon any Acquired Company, and no circumstances exist that could reasonably be expected to cause an Acquired Company to incur any Liability under to Title IV of ERISA.

(e) Since December 31, 2013, all material contributions to each Company Plan required under the terms of such Non-U.S. Benefit Plan or applicable Law have been timely made.

(f) Except as set forth in Schedule 3.12(f) of the Seller Disclosure Schedules, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in combination with another event) (i) entitle any current or former employee or director of any Acquired Company to any payment, or result in any payment becoming due, increase the amount of any compensation due, or result in the acceleration of the time of any payment due to any such person or (ii) increase any benefits otherwise payable under any Non-U.S. Benefit Plan or result in the acceleration of the time of payment or vesting of any benefit under a Non-U.S. Benefit Plan.

(g) Except as set forth in Schedule 3.12(g) of the Seller Disclosure Schedules, no Non-U.S. Benefit Plan that is an employee welfare benefit plan within the meaning of Section 3(1) of ERISA (or has analogous treatment under applicable Law) provides benefits, including death or medical benefits (whether or not insured), with respect to current or former employees of any Acquired Company beyond their retirement or other termination of service, other than (i) coverage mandated solely by applicable Law or (ii) benefits, the costs of which are borne by the current or former employee or his or her beneficiary.

(h) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, with respect to each Non-U.S. Benefit Plan (i) all employer and employee contributions to each Non-U.S. Benefit

Plan required by applicable Law or by the terms of such Non-U.S. Benefit Plan have been made, or, if applicable, accrued, in accordance with normal accounting practices; (ii) the fair market value of the assets of each funded Non-U.S. Benefit Plan, together with any book reserve and accrued contributions, is not less than the accrued benefit obligations with respect to all current and former participants in such plan according to the actuarial assumptions and valuations most recently used to determine employer contributions to such Non-U.S. Benefit Plan; and (iii) each Non-U.S. Benefit Plan required to be registered has been registered and has been maintained in good standing with applicable Governmental Entities.

3.13 Permits.

(a) Except as set forth in Schedule 3.13(a) of the Seller Disclosure Schedules or as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) each of the Acquired Companies has all Permits that are necessary for such Acquired Company to conduct its operations in the manner in which they are presently conducted consistent with past practices and in accordance with applicable Law; and (ii) each such Permit held by the Acquired Companies is in full force and effect consistent with past practices and in accordance with applicable Law and not subject to any appeal or challenge. Since December 31, 2013, no Seller or Acquired Company has received written notice from any Governmental Entity, the consequence of which would reasonably be expected to result in a material restriction or other material adverse effect on the validity of a material Permit or the material limitation on the ability to operate the assets related to such material Permit consistent with past practices and in accordance with applicable Law in all material respects.

(b) This Section 3.13 does not relate to environmental matters, which are instead the subject of Section 3.16.

3.14 Real Property.

(a) Schedule 3.14(a)(i) of the Seller Disclosure Schedules lists all material real property leases, licenses and similar occupancy agreements to which any Acquired Company is a party (the "Leased Real Property"). Schedule 3.14(a)(ii) of the Seller Disclosure Schedules lists all material real property owned in fee simple or the jurisdictional equivalent by any Acquired Company (the "Owned Real Property"). Schedule 3.14(a)(iii) of the Seller Disclosure Schedules lists all material real property over which any Acquired Company has possession rights pursuant to the Concessions (the "Concession Real Property").

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, each Acquired Company has good and valid title to, or a valid leasehold, license or other possessory interest in (or has analogous property rights under applicable Law), all Owned Real Property, Leased Real Property and Concession Real Property, as the case may be, used by it, in each case free and clear of all Liens, other than Permitted Liens and, to the Knowledge of Sellers, and free of any materially adverse rights of use, usufructs, mining rights, surface rights or water rights.

(c) Schedule 3.14(c) of the Seller Disclosure Schedules contains a true, complete and correct list of (i) any Contracts entered into between any Acquired Company and the relevant Governmental Entities in connection with authorizations and licenses authorizing the Acquired Companies to use public domain assets in the operation of their transmission lines and (ii) any concessions, authorizations and licenses whereby the relevant Governmental Entities have authorized the Acquired Companies to operate their respective power generation plants, transmission lines, hydrocarbons' facilities and any other business related thereto, as applicable (collectively, the "Concessions"). Except as, individually or in the aggregate, would not reasonably be expected to materially and adversely affect the relevant Acquired Company, each Acquired Company has the lawful right of possession of all Concession Real Property used by it.

(d) Except as set forth on Schedule 3.14(d) of the Seller Disclosure Schedules, neither any Acquired Company nor, to the Knowledge of Sellers, any counterparty thereto is in material default under any Real Property Lease or Concession Real Property and, to the Knowledge of Sellers, no circumstance currently exists that, with notice, the passage of time or both, would constitute a material default under any Real Property Lease or Concession Real Property and, as of the date hereof, no Acquired Company has received a written claim or notice of a material breach or default under any Real Property Lease or Concession Real Property.

3.15 Contracts.

(a) Set forth in Schedule 3.15(a) of the Seller Disclosure Schedules is, as of the date hereof, a true and correct list of all of the following Contracts to which any Acquired Company is a party or by which any of its respective properties or assets are bound, other than any insurance policies covering any Acquired Company or any of its respective assets (the Contracts set forth or required to be set forth in Schedule 3.15(a) of the Seller Disclosure Schedules are collectively referred to herein as the "Company Material Contracts" and, as used in this Section 3.15, "Contracting Party" shall refer to the Acquired Company party to such Company Material Contract):

(i) all Operating Contracts providing for the payment by or to the Contracting Party in excess of the Relevant Material Contract Amount per year, other than (A) any Contracts with another Acquired Company to document certain intercompany loans or (B) any Contracts with any Acquired Company for the provision of services and/or payment of costs, which are terminable by either party thereto upon not more than sixty (60) days' notice;

(ii) all Contracts (other than Operating Contracts) requiring a future capital expenditure by the Contracting Party in excess of the Relevant Material Contract Amount in any twelve-month (12-month) period;

(iii) all Contracts under which the Contracting Party is obligated to sell real or personal property having a value in excess of the Relevant Material Contract Amount;

(iv) all Contracts or business arrangements between (A) any officer or director of any Acquired Company or Affiliate thereof, on the one hand, and (B) such Acquired Company, on the other hand;

(v) all Contracts for the purchase or sale of any business, corporation, partnership, joint venture, association or other business organization or any division, assets, operating unit or product line thereof which have a purchase or sale price in excess of the Relevant Material Contract Amount;

(vi) all shareholders, partnership, limited liability company, voting, joint venture or similar agreements to which any Project Company or Company Subsidiary is a party, by which a Project Company or Company Subsidiary is bound or to which a Project Company or Company Subsidiary is subject (other than any such agreements of any Company Subsidiary or Project Company that is wholly owned, directly or indirectly, by such Company, or by which any such Person is bound);

(vii) all Contracts under which the Contracting Party (A) directly or indirectly created, incurred, assumed or guaranteed (or may create, incur, assume or guarantee) or otherwise provided or may provide credit support of, Indebtedness, (B) granted a Lien on its assets, whether tangible or intangible, to secure such Indebtedness or (C) extended credit or advanced funds to any Person or (D) has any obligations relating to the financial condition of any other Person (including so-called "keepwell" agreements), in each case, in excess of the Relevant Material Contract Amount;

(viii) all Contracts with a current and enforceable indemnification obligation that would reasonably be expected to result in payments in excess of \$500,000 to or from any Person with respect to liabilities relating to any current or former business of any Acquired Company or any predecessor Person, other than in the ordinary course of business;

(ix) all Contracts with any Governmental Entity having a value in excess of the Relevant Material Contract Amount;

(x) all Contracts that grant a right of first refusal or right of first offer or similar right with respect to (A) any assets of the Contracting Party having a value in excess of the Relevant Material Contract Amount, (B) any direct or indirect economic interest in the Contracting Party having a value in excess of the Relevant Material Contract Amount, or (C) materially limiting the ability of an Acquired Company to own, operate, sell, transfer, pledge or otherwise dispose of any material amount of assets, property or business;

(xi) all Contracts with any officer, individual employee or independent contractor on a full-time, part-time, consulting or other basis and providing annual compensation in excess of \$500,000, including, in each case, Contracts with respect to employment or similar arrangements for the provision of services to the Acquired Company on a full- or part-time basis;

(xii) all Contracts relating to severance, separation, change in control, retention or similar arrangements for the provision of services to the Acquired Company on a full- or part-time basis with any executive officer, plant manager, or any other employee of any Acquired Company whose Knowledge is referred to in this Agreement;

(xiii) outstanding futures, swap, hedge, collar, put, call, floor, cap, option or other Contracts that are

intended to benefit from or reduce or eliminate the risk of fluctuations in interest rates or the price of commodities, including electric power, in any form, including energy, capacity or ancillary services or securities; and

(xiv) any Contract providing for the use of material Intellectual Property which has an annual license payment or fee in excess of the Relevant Material Contract Amount.

(b) Except as set forth in Schedule 3.15(b)(i) of the Seller Disclosure Schedules, Sellers have made available to Purchasers true, complete and correct (in all material respects) copies of all Company Material Contracts. Except as set forth in Schedule 3.15(b)(ii) of the Seller Disclosure Schedules, each Company Material Contract is (i) in full force and effect and (ii) the valid and binding obligation of the Acquired Company party thereto and, to the Knowledge of Sellers, of each other party thereto, in each case (x) except as limited by Laws affecting the enforcement of creditors' rights generally or by general equitable principles and (y) with such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Except as set forth in Schedule 3.15(b)(ii) of the Seller Disclosure Schedules, (A) no Acquired Company is in material breach or default under any Company Material Contract, which material breach or default has not been waived, and no event has occurred which, with notice or lapse of time, would reasonably be expected to constitute such a material breach or default, (B) to the Knowledge of Sellers, no other party to any Company Material Contract is in material breach or default under such Company Material Contract and (C) no Acquired Company has received any written claim or notice of material breach or default under any Company Material Contract.

3.16 Environmental Matters. Except as set forth in Schedule 3.16 of the Seller Disclosure Schedules, or as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect:

(a) to the Knowledge of the Sellers or such Company, each Acquired Company is and has been, within any period of time established by an applicable statute of limitations or other limitations periods, in compliance with all applicable Environmental Laws, including having been complying with the terms and conditions of all material Permits required pursuant to applicable Environmental Laws ("Environmental Permits"). Each material Environmental Permit held by or relied upon by any Acquired Company is in full force and effect and not subject to any appeal or challenge, nor to the Knowledge of Sellers, has any such appeal or challenge been threatened in writing;

(b) no Acquired Company, nor, with respect to any Acquired Company, any Seller (i) has received any written notice of any actual or alleged violation of or Liability under any Environmental Law or Environmental Permit or written notice of any investigation, inquiry or request with respect to actual or potential violation of or Liability under any Environmental Law or Environmental Permit, other than notices with respect to matters that have been fully resolved and for which no Acquired Company has any further obligations outstanding or Liability or (ii) is subject to any outstanding Governmental Order with regard to any violation of or Liability under any Environmental Law;

(c) to the Knowledge of Sellers or the Acquired Companies, (i) no Hazardous Substances have been Released into the soil, surface water, ground water or other environmental media, and (ii) no Person has been exposed to Hazardous Substances (including asbestos-containing materials), in either case, at, on, to, migrating from or under any Real Property, which Hazardous Substances (1) any Acquired Company would be obligated to investigate or remediate pursuant to any Environmental Law, (2) would reasonably be expected to result in claims against any Acquired Company by any Persons (including claims for damage or injury to persons, property or natural resources) or (3) would otherwise result in any Liability or obligation pursuant to applicable Environmental Law of any Acquired Company;

(d) there are no capital projects with an expected cost in excess of \$5,000,000 that are either pending or have been budgeted by any Acquired Company to comply with any current or reasonably anticipated Environmental Law or any existing Environmental Permit, or that would reasonably be expected to require new or changes to existing Environmental Permits;

(e) copies of all material correspondence since December 31, 2013 to and from Governmental Entities relating to Liability pursuant to Environmental Law, and of all

material environmental investigations, studies, audits, reviews or other analyses (including with respect to changes in existing or reasonably anticipated environmental requirements) in the possession of Sellers or any Acquired Company, in each case, in relation to the Acquired Companies or any Real Property, which documents have been prepared since December 31, 2013, have been provided to Purchasers or made available in the Virtual Data Room prior to the date hereof; and

(f) each of the Acquired Companies have all material Permits that are necessary for such Acquired Company to conduct its operations in compliance with applicable Environmental Law in all material respects and in the manner which they are presently conducted consistent with past practices.

Notwithstanding any of the representations and warranties contained elsewhere in this Agreement, all environmental matters shall be governed exclusively by this Section 3.16.

3.17 Labor Matters.

(a) Schedule 3.17(a) of the Seller Disclosure Schedules contains a list of all collective bargaining agreements or labor agreements to which any Acquired Company is bound (the “CBAs”).

(b) Except as set forth in Schedule 3.17(b) of the Seller Disclosure Schedules, no employees of any Acquired Company are represented by any labor union, works council or labor organization with respect to their employment with any Acquired Company.

(c) To the Knowledge of Sellers, as of the date hereof, there are no labor union organizing activities with respect to any employees of any Acquired Company. To the Knowledge of Sellers, no labor organization representing employees of an Acquired Company has made a written demand to such Acquired Company for recognition that is pending as of the date hereof; and, as of the date hereof, there are no representation proceedings or written petitions seeking a representation proceeding, involving employees, against any Acquired Company, that are currently pending.

(d) Since December 31, 2013 through the date hereof, there have been no material (i) labor strikes, work stoppages, slowdowns, lockouts or labor-related arbitrations against or affecting any Acquired Company; (ii) grievances or other labor disputes or proceedings pending against or involving any employee of any Acquired Company; or (iii) Actions or unfair labor practice charges, grievances or complaints, pending by or on behalf of any employee of an Acquired Company.

(e) Each Acquired Company has properly and validly established or used outsourcing schemes in instances where services are or were provided to such Acquired Company by contractors except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

3.18 Intellectual Property.

(a) Schedule 3.18(a) of the Seller Disclosure Schedules lists all registered intellectual property assets, including all registrations or applications for registration of any patents, trademarks, service marks and domain names, that will be owned by an Acquired Company as of the Closing Date or will otherwise be transferred to Purchasers at or prior to the Closing.

(b) Except as set forth on Schedule 3.18(b) of the Seller Disclosure Schedules or as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) each Acquired Company owns and

possesses, free and clear of all Liens (and without restriction as to use or disclosure) all right, title and interest in and to, or has a valid and enforceable license to use, all inventions, patents, patent rights (including patent applications and licenses), know-how, trade secrets, trademarks (including trademark applications), trademark rights, trade names, trade name rights, service marks, service mark rights, copyrights and other proprietary intellectual property rights (collectively, "Intellectual Property") used in and necessary for the conduct of the businesses of the Acquired Companies as currently conducted or as proposed by the Acquired Companies to be conducted, free from any requirement of any past, present or future payments (other than maintenance and similar payments), charges or fees or conditions, rights or restrictions; (ii) to the Knowledge of the Company, the businesses of the Acquired Companies as currently conducted, do not infringe, have not misappropriated, and do not otherwise violate the Intellectual Property rights of any third party, (iii) to the Knowledge of Sellers, no third party is challenging, infringing or otherwise violating any right of any Acquired Company in any Intellectual Property owned by an Acquired Company and necessary for the conduct of the businesses of the Acquired Companies as currently conducted; (iv) no Acquired Company has received any written notice of any pending claim that Intellectual Property owned by an Acquired Company and/or used in and necessary for the conduct of the businesses of the Acquired Companies as currently conducted infringes or otherwise violates the Intellectual Property rights of any third party; (v) to the Knowledge of Sellers, following the Closing, the Purchasers will be permitted to exercise all of the Acquired Companies' Intellectual Property used in and necessary for the conduct of the businesses of the Acquired Companies as currently conducted to the same extent that the Acquired Companies would have been able to had the Closing not occurred and without being required to pay any material additional amounts or consideration; and (vi) the Acquired Companies have used, and currently use Reasonable Best Efforts to enforce, policies generally requiring each employee and individual independent contractor who is involved in the development of material Intellectual Property to execute one or more agreements with provisions assigning ownership of Intellectual Property developed within the scope of the individual's employment or independent contractor relationship with the Acquired Company, and all such persons have duly executed and delivered such agreements to the Acquired Company.

3.19 Affiliate Contracts; Intercompany Indebtedness; Support Obligations.

(a) Schedule 3.19(a) of the Seller Disclosure Schedules contains a true, complete and correct list, as of the date hereof, of each material Contract between (i) any Acquired Company, on the one hand, and (ii) any Seller or any Non-Company Affiliate, on the other hand (collectively, but excluding any Intercompany Indebtedness, the "Affiliate Contracts").

(b) Schedule 3.19(b) of the Seller Disclosure Schedules contains a true and accurate account of any Indebtedness that is owed to or from any Acquired Company, on the one hand, from or to Parent or any of its Subsidiaries (other than the Acquired Companies), on the other hand (the "Intercompany Indebtedness") as of the date set forth on such Schedule 3.19(b).

(c) Except as would not reasonably be expected to be material to the Acquired Companies, taken as a whole, each Acquired Company has operated its business in its own name and does not commingle its funds with those of any other Person. There are no credit support obligations, including guarantees, letters of credit, escrow arrangements, surety and performance bonds and security agreements and arrangements (other than collateral included in Net Working Capital) outstanding, provided by or to certain Non-Company Affiliates on behalf of or by any of the Acquired Companies.

(d) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, since January 1, 2015 through the date hereof, all transactions between Duquenco, on the one hand, and any of the Acquired Companies, on the other hand, have been on terms no less favorable to Duquenco than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate, or, if no comparable arm's length transaction with a Person that is not an Affiliate is available, then on terms reasonably believed by Duquenco to be fair and reasonable.

3.20 Insurance.

(a) Set forth in Schedule 3.20(a) of the Seller Disclosure Schedules is a list of all material third party policies of insurance under which any assets or business activities of any Acquired Company are covered, including, for each such policy, the type of policy, the name of the insured, the term of the policy, a description of the limits of such policy, the basis of coverage and the deductibles. True, complete and correct (in all material respects) copies of such insurance policies have been made available to Purchasers. As of the date hereof, each such insurance policy is in full force and effect, all premiums due and payable thereunder have been paid in full, and no Acquired Company is in default with respect to the obligations under any such policies or has otherwise failed to comply in all material respects with the terms and conditions of such policies.

(b) Sellers or the Non-Company Affiliates provide the self-insurance arrangements to the Project Companies set forth in Schedule 3.20(b) of the Seller Disclosure Schedules relating to their respective businesses on such terms and against such risks and losses as is in accordance with good industry practices. Any such self-insurance arrangements are in full force and effect, and each Project Company is in material compliance with the terms and conditions thereof, if any.

(c) With respect to each such insurance policy and self-insurance arrangements set forth on Schedule 3.20(a) and Schedule 3.20(b) of the Seller Disclosure Schedules: (i) to the Knowledge of Sellers, as of the date hereof, no insurer on the policy has been declared insolvent or placed in receivership, conservatorship or liquidation; and (ii) no written notice of cancellation or termination has been received other than in connection with ordinary renewals or terminations under the terms thereof.

(d) As of the date hereof, no request or application made by any of the Acquired Companies since December 31, 2013 to any insurer for coverage, payment of a claim or the issuance of a policy has been denied on the basis of willful misconduct or fraud.

3.21 Assets.

(a) Except as set forth in Schedule 3.21(a) of the Seller Disclosure Schedules, as of the date hereof, the Acquired Companies have good and valid title to, or in the case of leased properties and assets, a valid leasehold interest in, all of their respective material properties and material assets, in each case not subject to any Liens (other than Permitted Liens).

(b) Except as set forth in Schedule 3.21(b) and Schedule 3.18(b) of the Seller Disclosure Schedules, and except for any property or assets to be provided or to be made available pursuant to the Transition Services Agreement, the properties and assets of the Acquired Companies to be acquired pursuant to this Agreement constitute all the material properties and material assets used or held for use by the Acquired Companies in, and necessary and sufficient for the operation of, the businesses of the Acquired Companies as operated on the date hereof and as they will be operated immediately prior to the Closing Date.

(c) Except as set forth in Schedule 3.21(c) of the Seller Disclosure Schedules, (i) the machinery and equipment included among the assets of the Acquired Companies are in normal operating condition for similar facilities of a similar age, are maintained in accordance with Good Utility Practice, and are suitable for the purposes for which they are now being used in the conduct of the business of the Acquired Companies in accordance with Good Utility Practice and (ii) neither the Sellers, the Acquired Companies nor their respective Affiliates have deferred maintenance of any assets of the Acquired Companies other than in accordance with Good Utility Practice.

(d) The cooling tower is the only material asset or property of the Las Palmas II plant in Guatemala that was materially damaged during the fire incident that occurred on July 16, 2016.

3.22 Brokers and Finders. No Acquired Company has entered into any agreement or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any broker's or finder's fee or any other commission or similar fee payable by any Acquired Company in connection with any of the transactions contemplated by this Agreement, except Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC, whose fees and expenses shall be paid by Sellers or their direct or indirect parent companies.

3.23 Directors and Officers. Set forth in Schedule 3.23 of the Seller Disclosure Schedules is a true, complete and correct list, as of the date hereof, of the directors and officers of each Acquired Company.

3.24 Compliance with Anti-Corruption Laws. Since December 31, 2013, none of the Acquired Companies, any officer, nor to the Knowledge of Sellers, any director or employee of the Acquired Companies or any other agent or Person duly authorized to act for or on behalf of Acquired Companies, has, directly or indirectly, taken any action that would reasonably be expected to cause any Acquired Company to be in material violation of applicable anti-corruption laws. Since December 31, 2013, the Acquired Companies, their respective officers, and, to the Knowledge of Sellers, their respective agents, directors, employees, consultants and contractors are, and since December 31, 2013 have been, in compliance in all material respects with all applicable anti-corruption laws. As of the date hereof, no enforcement action by any Governmental Entity or any Person alleging any failure to comply with any applicable anti-corruption laws is pending against any Acquired Company, their respective officers or, to the Knowledge of Sellers, any of their respective agents, directors, employees, consultants or contractors. None of the Acquired Companies nor, to the Knowledge of Sellers, any other Person acting for or on behalf of the Acquired Companies, is an OFAC Sanctioned Person. The Acquired Companies, their respective officers, and, to the Knowledge of Sellers, their respective directors, employees, agents, consultants or contractors are in compliance in all material respects with, and none of the Acquired Companies, their respective officers, and, to the Knowledge of Sellers, directors and employees (acting in such capacity), agents, consultants or contractors, has previously since December 31, 2013 violated the USA Patriot Act of 2001, as amended, to the extent applicable to any such Person, or any applicable anti-money laundering law. For purposes of this Section 3.24, "agent" means an authorized agent of the Acquired Companies in connection with work such authorized agent has performed on behalf of and as authorized by the Acquired Companies or any of their Affiliates.

3.25 Books and Records. The minute books and other similar corporate records of the Acquired Companies as made

available to Purchasers are accurate and complete in all material respects. The minute books of each Acquired Company contain accurate and complete records, in all material respects, of all meetings, and material actions taken by written consent, of its stockholders or other equity holders, its board of directors or similar governing body and any committees thereof. Each Acquired Company maintains its own full and complete books and records.

3.26 Internal Controls. Each Acquired Company maintains books and records that in reasonable detail accurately reflect the transactions and dispositions of the assets of such Acquired Company and maintains adequate internal control over financial reporting which are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements; including that (a) such Acquired Company's transactions are executed with management's authorization; (b) such Acquired Company's transactions are recorded as necessary to permit preparation of the Financial Statements and to maintain accountability for such Acquired Company's assets; (c) access to such Acquired Company's assets is permitted only in accordance with management's authorization; and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.27 Bankruptcy. Except as set forth on Schedule 3.27 of the Seller Disclosure Schedules:

(a) Since December 31, 2013, (i) no Acquired Company has been the subject of any insolvency, liquidation or similar proceeding; (ii) no order has been made and no resolution has been passed for the bankruptcy, suspension of payments, winding-up, dissolution and liquidation of any Acquired Company or for a provisional liquidator to be appointed in respect of them; and (iii) no such petition has been filed and no meeting has been convened for the purpose of obtaining such a resolution.

(b) As of the date hereof, (i) no receiver or administrative receiver has been appointed in respect of any Acquired Company; (ii) no Acquired Company is unable to pay its Indebtedness nor has it stopped paying its Indebtedness as it becomes due and payable, except for any Indebtedness which any such Acquired Company is disputing in good faith; and (iii) no Acquired Company is otherwise insolvent or bankrupt (or deemed to be insolvent or bankrupt) under any applicable Law.

(c) Immediately prior to the Closing and without giving effect to the Transaction and the consummation of the other transactions contemplated by this Agreement (including the Financing being entered into in connection therewith) (i) the fair saleable value (determined on a going concern basis) of the assets of Duqueco shall be greater than the total amount of their liabilities (including all liabilities, whether or not reflected in a balance sheet prepared in accordance with GAAP, and whether direct or indirect, fixed or contingent, secured or unsecured, disputed or undisputed); (ii) Duqueco shall be able to pay its debts and obligations as they become due; and (iii) Duqueco shall have adequate capital to carry on their businesses and all businesses in which they are about to engage.

3.28 No Other Representations and Warranties. Except for the representations and warranties of each Seller contained in Article II and this Article III, no Seller or Person acting on behalf of any Seller or any Acquired Company makes any representation or warranty, express or implied, concerning the businesses, finances, operations, assets, liabilities, prospects or any other aspect of the Acquired Companies.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASERS

Each Purchaser hereby represents and warrants to each Seller, as to itself, that except as disclosed in the Purchaser Disclosure Schedules:

4.1 Organization and Qualification. Purchaser 1 is a limited partnership duly formed, validly existing and in good standing under the laws of the Cayman Islands, and after giving effect to the Purchaser Assignment, will be a sociedad anónima cerrada, duly formed, validly existing and in good standing under the laws of Peru, Purchaser 2 is a private limited company duly formed, validly existing and in good standing under the laws of the United Kingdom, as of the date hereof, and after giving effect to the Purchaser Assignment will be a sociedad de responsabilidad limitada, duly formed, validly existing and in good standing under the laws of Spain, and after giving effect to the Purchaser Assignment, Purchaser 3 will be a private limited company duly formed, validly

existing and in good standing under the laws of the United Kingdom. Each of the Purchasers has full limited partnership power and authority to own, lease and operate its respective assets and properties and to conduct its respective business as presently conducted. Each of the Purchasers is duly qualified to do business and is in good standing as a foreign limited partnership in all jurisdictions in which such qualification is necessary under applicable Law as a result of the conduct of its business or the ownership of its properties, except for those jurisdictions where failure to be so qualified or in good standing would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.2 Authority. Each Purchaser has full corporate, limited liability company, partnership or limited partnership, as applicable, power and authority to enter into this Agreement and, subject to receipt of the Purchaser Required Statutory Approvals, to consummate the transactions contemplated hereby. The execution, delivery and performance by such Purchaser of this Agreement and the consummation by such Purchaser of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate, limited liability company, partnership or limited partnership, as applicable, action on the part of such Purchaser, and no other limited partnership proceedings or approvals on the part of any Purchaser are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by each Purchaser and, assuming the due authorization, execution and delivery hereof by each other Party, constitutes the legal, valid and binding obligation of such Purchaser, enforceable against such Purchaser in accordance with its terms, except as limited by Laws affecting the enforcement of creditors' rights generally or by general equitable principles.

4.3 Non-contravention. Except as set forth in Schedule 4.3 of the Purchaser Disclosure Schedules, the execution and delivery of this Agreement by Purchasers and the consummation of the transactions contemplated hereby do not and will not, result in any Violation, or result in the creation of any Lien upon any of the properties or assets of such Purchaser, pursuant to any provision of (a) the Organizational Documents of such Purchaser; (b) subject to obtaining the third-party Consents set forth in Schedule 4.3 of the Purchaser Disclosure Schedules (the "Purchaser Required Consents"), any Contract to which such Purchaser is a party or by which such Purchaser may be bound; or (c) subject to obtaining the Purchaser Required Statutory Approvals, any Law, Permit or Governmental Order applicable to such Purchaser, other than, in the case of clauses (a), (b) and (c), for any such Violation or Lien which would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.4 Statutory Approvals. Except for the filings or approvals (a) set forth in Schedule 4.4 of the Purchaser Disclosure Schedules (the "Purchaser Required Statutory Approvals") and (b) as may be required due to the regulatory or corporate status of Sellers or the Companies, no Consent of any Governmental Entity is required to be made or obtained by any Purchaser in connection with the execution and delivery of this Agreement or the consummation by Purchasers of the transactions contemplated hereby, except those which the failure to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.5 Ownership of Certain Assets; Operations. Schedule 4.5 of the Purchaser Disclosure Schedules sets forth for each Purchaser (i) whether such Purchaser is doing business in any of the Relevant Countries and (ii) any ownership interests in any natural gas transportation or distribution facilities, generating facilities, transmission and distribution (T&D) assets or power-generating assets, as well as in any assets or businesses in the trunk transmission sector, held such Purchaser or its Affiliates in the Relevant Countries. Except as set forth on Schedule 4.5 of the Purchaser Disclosure Schedule, no Purchaser nor any of its Affiliates has ongoing operations in the electricity industry in the Relevant Countries.

4.6 Financing; Solvency.

(a) The Purchasers have furnished to the Sellers a true and complete copy of (i) a fully executed equity commitment letter, dated as of October 10, 2016, by and between the Purchasers and the Investors (together with all exhibits, schedules, annexes, supplements and amendments thereto, the "Equity Commitment Letter") pursuant to which the Investors have committed to invest, directly or indirectly, in the Purchasers the cash amounts set forth therein (the "Equity Financing"), subject to the terms and conditions set forth in the Equity Commitment Letter, and (ii) a fully executed debt commitment letter, dated as of October 7, 2016, by Deutsche Bank AG, London Branch, in favor of I Squared Capital Advisors (US) LLC, as manager of ISQ Global Infrastructure Fund L.P. and its affiliated entities (together with all exhibits, schedules, annexes, supplements and amendments thereto and including any fee letter, with only the fee amounts and market flex terms redacted from any such fee letter in a customary manner (so long as the redaction does not cover terms that would adversely affect the conditionality, availability or termination of the Debt Financing), the "Debt Commitment Letter," and together with the Equity Commitment Letter, the "Commitment Letters") pursuant to which such lending parties named therein have committed to provide the Purchasers with at least \$450,000,000 in debt financing (the "Loans") for the purpose of funding the transactions contemplated by this Agreement (the "Debt Financing" and, together with the Equity Financing, the "Financing"), subject to the terms and conditions set forth in the Debt Commitment Letter. The aggregate proceeds to be disbursed pursuant to the agreements contemplated by the Commitment Letters, together with all other funds of Purchasers, are sufficient to allow Purchasers to complete the Transaction on the terms and subject to the conditions set forth in this Agreement and to consummate the transactions contemplated by this Agreement, including for Purchasers to pay the aggregate amounts payable pursuant to Article I at the Closing and for the payment of all fees, costs and expenses to be paid by Purchasers related to the transactions contemplated by this Agreement, including such fees, costs and expenses relating to the Financing. Each Commitment Letter is valid, binding and in full force and effect as to Purchasers and, to the Knowledge of Purchasers, each of the other parties to the Commitment Letters. As of the date of this Agreement, neither Purchasers nor any of their Affiliates are in breach of any of their covenants or other obligations set forth in, or are in default under, any of

the Commitment Letters, nor do Purchasers or any of their Affiliates have knowledge of any breach of the Commitment Letters by any of the other parties thereto, and to the Knowledge of Purchasers no event has occurred or circumstance exists that, with or without notice, lapse of time or both, would or would reasonably be likely to (i) constitute or result in a breach or default on the part of any Person under any of the Commitment Letters, (ii) constitute or result in a failure to satisfy any of the terms or conditions set forth in any of the Commitment Letters, (iii) make any of the assumptions or any of the statements set forth in the Commitment Letters inaccurate in any respect or (iv) otherwise result in any portion of the Financing not being available. The Commitment Letters have not been amended or modified in any respect prior to the date of this Agreement and as of the date of this Agreement and the commitments contained in the Commitment Letters have not been withdrawn, rescinded, terminated, amended, supplemented or modified, in any respect, and no such withdrawal, repudiation, rescission, termination, amendment, supplement or modification is contemplated by Purchasers. There are no conditions precedent or other contingencies relating to the funding of the full amount of the Equity Financing or the Debt Financing by the financing sources, or any contracts, agreements, arrangements or understandings related to the Financing, other than as specifically set forth in the respective Commitment Letters. Assuming the accuracy of the representations and warranties for the Companies set forth in Article III, as of the date of this Agreement, Purchasers have no reason to believe (both before and after giving effect to any “flex” provisions contained in the Debt Commitment Letter) that they will be unable to satisfy, on a timely basis, any term or condition to be satisfied by them contained in the Commitment Letters or that the full amounts committed pursuant to the Commitment Letters will not be available as of the Closing if the terms or conditions to be satisfied by them contained in the Commitment Letters are satisfied. As of the date of this Agreement, Purchasers have fully paid any and all commitment fees or other fees or deposits required by the Commitment Letters to be paid on or before the date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, Purchasers expressly acknowledge that their obligations hereunder are not conditioned in any manner upon Purchasers or any of their Affiliates obtaining any financing.

(b) Assuming that the representations and warranties of the Sellers contained in Article II and Article III of this Agreement are true and correct in all material respects, immediately after giving effect to the Transaction and the consummation of the other transactions contemplated by this Agreement (including the Financing being entered into in connection therewith):

(i) the fair saleable value (determined on a going concern basis) of the assets of the Purchasers and the Acquired Companies shall be greater than the total amount of their liabilities (including all liabilities, whether or not reflected in a balance sheet prepared in accordance with

GAAP, and whether direct or indirect, fixed or contingent, secured or unsecured, disputed or undisputed);

(ii) Purchasers and the Acquired Companies shall be able to pay their debts and obligations as they become due; and

(iii) Purchasers and the Acquired Companies shall have adequate capital to carry on their businesses and all businesses in which they are about to engage.

(c) In completing the Transaction, Purchaser does not intend to hinder, delay or defraud any present or future creditors of the Purchasers or the Acquired Companies.

4.7 Litigation. Except as set forth in Schedule 4.7 of the Purchaser Disclosure Schedules, there is no Action pending or, to the Knowledge of Purchasers, threatened against any Purchaser or any of their respective Subsidiaries or affecting any of their respective assets or properties that, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement. There are no Governmental Orders of or by any Governmental Entity applicable to any Purchaser or any of its Subsidiaries, except for such that would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement.

4.8 Investment Intention; Sufficient Investment Experience; Independent Investigation. Each Purchaser is acquiring the Company Shares for its own account and not with a view to their sale or distribution in violation of applicable securities Laws. Each Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the Companies and the merits and risks of an investment in the Company Shares. Purchasers have been given adequate opportunity to examine all documents provided by, conduct due diligence and ask questions of, and to receive answers from, Sellers, the Companies and their respective Representatives concerning the Companies and Purchasers' investment in the Company Shares. Purchasers have, among other things, had full access to the Virtual Data Room and received the Seller Disclosure Schedules. Purchasers have also received certain projections and other forecasts, including projected financial statements, cash flow items, capital expenditure budgets and certain business plan information, and each Purchaser acknowledges that (a) there are uncertainties inherent in attempting to make such projections and forecasts and, accordingly, it is not relying on them, (b) each Purchaser is familiar with such uncertainties and is taking full responsibility for making its own evaluation of the adequacy and accuracy of all such projections and forecasts, (c) no Purchaser has any claim under this Agreement against anyone with respect

to the accuracy of such projections and forecasts, and (d) neither any Seller nor any Company nor any other Person has made any representation or warranty with respect to such projections and forecasts. Each Purchaser acknowledges and affirms that it has completed to its satisfaction its own independent investigation, analysis and evaluation of the Acquired Companies, that it has made all such reviews and inspections of the businesses, assets, Liabilities, results of operations and condition (financial or otherwise) of the Acquired Companies as it has deemed necessary or appropriate, and that in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby it has relied solely on its own independent investigation, analysis and evaluation of Sellers' representations and warranties set forth in Article II and the Companies' representations and warranties set forth in Article III.

4.9 Brokers and Finders. No Purchaser has entered into any agreement or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, except Santander Bank, N.A., whose fees and expenses will be paid by Purchasers in accordance with Purchasers' agreement with such firm.

4.10 Compliance with Laws. Except as set forth in Schedule 4.10 of the Purchaser Disclosure Schedules, since December 31, 2013, no Purchaser nor any of its Affiliates has been given written notice by any Governmental Entity of, or been charged in writing by any Governmental Entity with, any violation of, or, to the Knowledge of Purchasers, is in violation of, or is under investigation with respect to any violation of, any Law or Governmental Order, except, in each case, for violations which would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, or to otherwise prevent or materially delay the consummation of the transactions contemplated by this Agreement. Each Purchaser and each of its respective Subsidiaries is in compliance with (a) the USA PATRIOT Act of 2001, as amended, and any rules and regulations promulgated thereunder, (b) the Foreign Corrupt Practices Act of 1977, as amended, and any rules and regulations promulgated thereunder, (c) the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and legislation implementing such Convention and (d) the United Kingdom Bribery Act of 2010, as amended, and any rules and regulations promulgated thereunder.

4.11 No Other Representations and Warranties. Except for the representations and warranties contained in this Article IV, no Purchaser or any Person acting on behalf of any Purchaser makes any representation or warranty, express or implied, under this Agreement. Each Purchaser acknowledges and agrees that, except as expressly set forth in Article II and Article III, neither any Seller nor any Company nor any of their Affiliates has made any representation or warranty, express or implied, to Purchasers or any of their Affiliates in connection with this

Agreement. Without limiting the generality of the foregoing, and except as expressly set forth in Article II and Article III, (a) each Purchaser acknowledges and agrees that neither any Seller nor any Company nor any of their Affiliates has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding any Seller or its Affiliates made available to Purchaser, and (b) neither any Seller nor any Company nor any other Person shall be subject to any Liability to Purchasers, or any other Person, as a result of any Seller having made available to Purchasers any such information, including in the Virtual Data Room, management presentations (formal or informal), or in any other form in connection with the Transaction. Without limiting the foregoing, neither any Seller nor any Company nor any of their Affiliates makes any representation or warranty to any Purchaser or Parent with respect to any financial projection or forecast relating to the Acquired Companies.

ARTICLE V

COVENANTS

5.1 Conduct of Business.

(a) After the date hereof and prior to the Closing or earlier termination of this Agreement (the “Interim Period”), except as set forth in Schedule 5.1 of the Seller Disclosure Schedules and except (i) as required or expressly permitted by this Agreement, (ii) as contemplated by or in connection with the Restructuring Transactions, (iii) in connection with necessary or prudent maintenance due to breakdown or casualty, or other actions taken in response to a business emergency, provided that reasonably prompt written notice of any such material action is delivered to Purchasers, (iv) as contemplated in the annual budgets or capital budgets of any Acquired Company, (v) for the issuance of any cash dividends or any cash distributions from any Acquired Company, (vi) as required by applicable Law, or (vii) to the extent any Purchaser shall otherwise consent in writing, which decision regarding consent shall be made promptly, and which consent shall not be unreasonably withheld, conditioned or delayed, Sellers shall cause each Company and each Company shall, and each Company shall cause each of its Company Subsidiaries and each of its Project Companies to:

(i) conduct its business in the ordinary and usual course in substantially the same manner as heretofore conducted and, to the extent consistent therewith, use Reasonable Best Efforts to preserve its business organization intact and maintain its existing relations and goodwill with customers, suppliers, creditors, lessors, employees and business associates;

(ii) not (A) amend its Organizational Documents, other than amendments which are ministerial in nature or not otherwise material; (B) split, combine or reclassify its outstanding Equity Interests; or (C) repurchase,

redeem or otherwise acquire any shares of its capital stock or any securities convertible into or exchangeable or exercisable for any shares of its capital stock;

(iii) not issue, sell, or dispose of any shares of, or securities convertible into or exchangeable or exercisable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of its capital stock;

(iv) not incur any Indebtedness, other than (A) borrowings under existing credit facilities as such facilities may be amended or replaced, or (B) in an aggregate amount not to exceed the Relevant Aggregate Interim Period Amount;

(v) not make, or make any commitments for, capital expenditures in excess of the Relevant Interim Period Amount individually or the Relevant Aggregate Interim Period Amount in the aggregate;

(vi) not make any acquisition of, or investment in assets or stock or other equity interests of any other Person in excess of the Relevant Interim Period Amount singularly or the Relevant Aggregate Interim Period Amount in the aggregate;

(vii) not sell, lease, license, encumber or otherwise dispose of any of its assets, except in the ordinary course of business;

(viii) not assign, materially amend (in an adverse manner), terminate (except for any termination due to the end of the term thereof) or waive any material term under, exercise any material option under, or give any material Consent with respect to, any Company Material Contract or Material Lease;

(ix) not enter into any Contract with any Seller or an Affiliate thereof (other than an Acquired Company);

(x) not take any action to materially accelerate the collection of accounts receivable outside the ordinary course of business, or otherwise materially change any policy or practices regarding extension of credit, prepayment, sales, collections, receivables or payment of accounts;

(xi) not engage in any material new line of business;

(xii) not waive, release, assign, settle, compromise or satisfy any claim (which shall include, but not be limited to, any pending or threatened Action), that exceeds the Relevant Interim Period Amount singularly or the Relevant Aggregate Interim Period Amount in the aggregate;

(xiii) not terminate, establish, adopt, enter into, make any new grants or awards of stock-based compensation or other benefits under, amend or otherwise materially modify any Non-U.S. Benefit Plan or, solely with respect to any directors, officers or employees of an Acquired Company, any Company Plan or any plan, agreement or other arrangement that would be a Company Plan if it were in existence as of the date of this Agreement, or increase the salary, wage, bonus or other compensation of any directors, officers or employees of any Acquired Company, except (A) for grants or awards to directors, officers and employees under existing Company Plans in such amounts and on such terms as are consistent with past practice, (B) in the normal and usual course of business (which shall include normal periodic performance reviews and related plans and the provision of individual Company Plans consistent with past practice for newly hired, appointed or promoted officers and employees), or (C) for actions reasonably determined to be necessary or appropriate for administrative reasons or to satisfy applicable Law or existing contractual obligations under Company Plans;

(xiv) not change any material financial accounting method, policy, practice or election, except as required by GAAP, applicable local Law or local accounting principles;

(xv) not adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, or any plan for the sale of all or substantially all the assets of any Company or any Subsidiary thereof;

(xvi) (A) maintain, or cause to be maintained, in full force and effect, the self-insurance arrangements maintained by Sellers or the Non-Company Affiliates for the benefit of the Acquired Companies set forth in Schedule 3.20(b) of the Seller Disclosure Schedules, and (B) unless not available on commercially reasonable terms, maintain insurance with financially responsible or nationally recognized insurers in such amounts and against such risks and losses as are consistent with the insurance maintained by it in the ordinary and usual course of business with respect to any of the Acquired

Companies with respect to which self-insurance arrangements are not maintained by Sellers or the Non-Company Affiliates as set forth in Schedule 3.20(b);

(xvii) maintain or cause to be maintained (in the ordinary course of business and consistent with past practice) and not amend or cause to be amended in any material respect, terminate, or assign any material Permit held by any Acquired Company (including Environmental Law);

(xviii) not (A) make or change any material election with respect to Taxes, (B) change any material Tax accounting method, (C) settle any material Tax claim, (D) amend any material Tax Return, (E) waive any material Tax refund claim, or (F) consent to any material extension or waiver of the limitation period applicable to any Tax assessment, in each case, to the extent that doing so would reasonably be expected to result in a material incremental cost to Purchaser or any of the Acquired Companies after Closing; and

(xix) not commit in writing or agree to take any of the actions set forth in subsections (ii)-(xviii) of this Section 5.1(a).

(b) Nothing contained in this Agreement shall give Purchasers, directly or indirectly, any right to control or direct any Acquired Company's operations of its business prior to the Closing. Prior to the Closing, Sellers and each of the Acquired Companies shall exercise, consistent and in accordance with the other terms and conditions of this Agreement, complete control and supervision over their respective businesses.

5.2 Regulatory Approvals.

(a) Regulatory Approvals. Each Party shall cooperate and use Reasonable Best Efforts to prepare and file as soon as practicable (but in no event more than thirty (30) days following the date hereof) all applications, notices, petitions, filings and other documents necessary to obtain, and shall use Reasonable Best Efforts to obtain, the Required Statutory Approvals. The Parties further agree to use Reasonable Best Efforts (i) to take any act, make any undertaking or receive any clearance or approval required by any Governmental Entity or applicable Law and (ii) to satisfy any conditions imposed by any Governmental Entity in all Final Orders, in each case in order to consummate the transactions contemplated hereby as soon as reasonably possible. Each of the Parties shall (i) respond as promptly as practicable to any inquiries or requests received from any Governmental Entity for additional information or documentation, (ii) provide such information with respect to such Party as may be necessary to obtain the Required Statutory Approvals and (iii) not enter into any agreement with any Governmental Entity that would reasonably be expected to adversely affect the Parties' ability to

consummate the transactions contemplated by this Agreement, except with the prior consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed). Each of the Parties shall use Reasonable Best Efforts to avoid or eliminate each and every impediment under any antitrust, competition, or trade or energy regulation Law that may be asserted by any Governmental Entity with respect to the transactions contemplated hereby so as to enable the Closing Date to occur as soon as reasonably possible. The actions required by the immediately preceding sentence shall include proposing, negotiating, committing to and effecting, by consent decree, hold separate order or otherwise, the sale, divestiture or disposition of such power generation, electric transmission or oil & gas assets or businesses of Purchasers or their respective Affiliates (including their respective Subsidiaries (except for the Acquired Companies)), and agreeing to such limitations on their conduct or actions as may be required in order to obtain the Required Statutory Approvals as soon as reasonably possible, to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order in any suit or proceeding, which would otherwise have the effect of preventing or delaying the Closing Date, and defending through litigation on the merits, including appeals, any claim asserted in any court by any Person.

(b) Communications. Each Party shall (i) promptly furnish each other Party with copies of all filings, notices, correspondence or other written communications from or to, and inform one another of any communications received from, any Governmental Entity, (ii) promptly make any appropriate or necessary subsequent or supplemental filings, (iii) cooperate in the preparation of such filings as is reasonably necessary and appropriate, and (iv) permit each other Party to review in advance any proposed written communication between such Party and any Governmental Entity. If a Party or any of its Affiliates intends to participate in any substantive meeting or discussion with any Governmental Entity with respect to the transactions contemplated by this Agreement or any filings, investigations or inquiries made in connection with the transactions contemplated by this Agreement, it will give the other Parties reasonable prior notice of, and to the extent permitted by such Governmental Entity, an opportunity to participate in, such meeting or discussion. This Section 5.2(b) does not relate to Tax matters, which are instead the subject of Section 5.14.

5.3 Required Consents. Sellers and the Companies, on the one hand, and Purchasers, on the other hand, agree to use Reasonable Best Efforts to obtain the Company Required Consents and the Purchaser Required Consents, respectively, and to cooperate with each other in connection with the foregoing.

5.4 Access.

(a) Subject to applicable Law and Governmental Orders, Sellers shall, and shall cause each of the Acquired Companies to, during the period from and after the date

hereof until the Closing, upon reasonable advance notice, (i) afford Purchasers and their authorized directors, officers, employees, accountants, counsel, investment bankers and consultants (collectively, "Representatives") reasonable access, during normal business hours, in the presence of at least one (1) Representative of Sellers, to the employees, properties, books and records (with respect to Tax records, only to the extent solely and directly related to the Acquired Companies), contracts and other documents of the Acquired Companies, (ii) furnish to Purchasers such financial and operating data and other information relating to the Acquired Companies as Purchasers may reasonably request (including such accounting and auditing information as may be necessary to prepare financial statements), and (iii) instruct the appropriate Acquired Company employees to cooperate reasonably with Purchasers and their respective Representatives in connection with the foregoing; provided, however, that, in each case, such access, furnishing of information and cooperation shall not (v) unreasonably disrupt any Acquired Company's operations, (w) require any Acquired Company to permit any inspection or to disclose any information that, in the reasonable judgment of such Acquired Company, would result in the disclosure of any trade secrets or violate any of its obligations or policies with respect to confidentiality, (x) require any Acquired Company to disclose any privileged information of any Acquired Company, (y) include any sampling of environmental media or building materials or (z) require Sellers or any of their Affiliates (including the Acquired Companies) to disclose any proprietary information of or regarding Sellers or their Affiliates (excluding the Acquired Companies). All requests for information made pursuant to this Section 5.4(a) shall be directed to such Persons designated by Sellers in writing from time to time. All such information shall be governed by the terms of the Confidentiality Agreement. Purchasers shall not, and shall cause their respective Representatives not to, use any information obtained pursuant to this Section 5.4(a) (as well as any other information provided to Purchasers or any of their respective Representatives by or on behalf of Parent, any Seller or any Acquired Company prior to the date hereof) for any purpose unrelated to the transactions contemplated by this Agreement. To the extent that a Seller or any of its Affiliates incur any incremental out-of-pocket costs in processing, retrieving or transmitting any such information pursuant to this Section 5.4(a), Purchasers shall reimburse such Seller and such Affiliate for the reasonable out-of-pocket costs thereof (including reasonable attorneys' fees, but excluding reimbursement for general overhead, salaries and employee benefits) promptly upon submission to Purchasers of an invoice therefor accompanied by reasonable supporting documentation.

(b) Purchasers shall indemnify and hold harmless Sellers, their respective Affiliates and their respective Representatives for any and all Losses, costs or expenses incurred by Sellers, their Affiliates or their respective Representatives arising out of the access rights under this Section 5.4, including any claims by any of Purchasers' respective Representatives for any injuries or property damage while present on the Real Property.

(c) Notwithstanding anything to the contrary in this Section 5.4, neither Sellers nor the Acquired Companies shall be obligated to disclose to Purchasers any information that could reasonably be expected to (i) violate any applicable Law, (ii) result in the loss of attorney-client privilege with respect to such information; provided, however, that, in such instances, such Acquired Company shall inform Purchasers of the general nature of the information being withheld and, upon Purchasers' request and at Purchasers' sole cost and expense, reasonably cooperate with Purchasers to provide such information, in whole or in part, in a manner that would not result in the loss of attorney-client privilege with respect to such information, (iii) result in a breach of an agreement to which any Seller or any Acquired Company or any of their respective Affiliates is a party, or (iv) result in the disclosure of any trade secret or confidential information of third parties.

(d) From and after the Closing, Purchasers and Sellers shall, and shall cause their respective Representatives, upon reasonable notice, to (i) furnish to each other, and their respective Representatives, such financial and operating data and other information relating to the Acquired Companies (including books and records of the Acquired Companies) as is reasonably necessary for planning any systems conversions, process changes, litigation, employee benefits, environmental, financial reporting and accounting matters, or the preparation and filing of any required regulatory or other filings, responses or reports and information relating to any Action or as required by any Law or Governmental Order, and (ii) make available to each other, and their respective Representatives, their respective directors, officers and employees as may reasonably be requested to cooperate in connection with the foregoing; provided, however, that, in each case, such access, furnishing of information and cooperation shall not unreasonably disrupt or otherwise interfere with any Acquired Company's or Purchasers' operations. After the Closing, Purchasers shall cause the Acquired Companies to, and Sellers shall, preserve such information and the books and records for at least eight (8) years after the Closing Date. This Section 5.4(d) does not relate to Tax matters, which are instead the subject of Section 5.14.

5.5 Publicity. Purchasers and Sellers shall consult with each other before issuing any press release immediately after the execution and delivery of this Agreement and the transactions contemplated hereby. With respect to any publicity after October 10, 2016, none of Sellers, the Companies or Purchasers or any of their respective Affiliates shall, without the express written approval of Sellers, the Companies and Purchasers (which approval shall not be unreasonably withheld, conditioned or delayed), make any press release or other public announcements concerning the transactions contemplated by this Agreement, except as and to the extent that any such Party shall be so obligated by applicable Law, or pursuant to any such listing agreement or rules of any national securities exchange, in which case the other Parties shall be advised and the Parties shall use Reasonable Best Efforts to cause a mutually agreeable release or announcement to be issued.

5.6 Employee Matters.

(a) For a period of twelve (12) months following the Closing Date, Purchasers and the Companies shall cause the employees of the Companies or any Subsidiary of the Companies who remain in the employment of any Purchaser, a Company, their respective Subsidiaries or their respective successors immediately following the Closing (the “Continuing Employees”) to receive compensation, employee benefits and severance protection (utilizing the cash value of any stock-based compensation and which shall include statutory severance and the Companies’ past pattern of providing market-based severance determined through benchmarking) that are each substantially no less favorable than the compensation, employee benefits and severance protection provided to such employees immediately prior to the Closing. Nothing contained herein shall be construed as requiring Purchasers, a Company or any Subsidiary of a Company to continue or to cause the continuance of any specific employee benefit plans or to continue or cause the continuance of the employment of any specific person.

(b) With respect to each benefit plan of Purchasers or their respective Subsidiaries in which a Continuing Employee participates after the Closing, for purposes of determining eligibility, vesting and amount of benefits, including severance benefits and paid time off entitlement (but not for pension benefit accrual purposes), Purchasers shall cause service with the Companies and their respective Subsidiaries (or predecessor employers to the extent the Companies or their respective Subsidiaries provided past service credit) to be treated as service with Purchasers and their respective Subsidiaries; provided, that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits or to the extent that such service was not recognized under an analogous Company Plan.

(c) With respect to any welfare benefit plan maintained by any Purchaser or its Subsidiaries in which Continuing Employees are eligible to participate after the Closing, Purchasers shall, and shall cause the Companies and their respective Subsidiaries to, (i) waive all limitations as to preexisting conditions and exclusions with respect to participation and coverage requirements applicable to such employees to the extent such conditions and exclusions were satisfied or did not apply to such employees under the Company Plans prior to the Closing, and (ii) provide each Continuing Employee with credit for any co-payments and deductibles paid prior to the Closing in satisfying any analogous deductible or out-of-pocket requirements to the extent applicable under any such plan.

(d) Purchasers shall, and shall cause the Acquired Companies to, honor the terms of each CBA until such CBA otherwise expires pursuant to its terms or is modified by the parties thereto.

(e) Nothing contained in this Section 5.6 shall be construed to establish, amend or modify any benefit or compensation plan, program, agreement, contract, policy or arrangement, or limit the ability of Purchasers, the Companies or any of their respective Subsidiaries to amend, modify or terminate any benefit or compensation plan, program, agreement, contract, policy or arrangement at any time assumed, established, sponsored or maintained by any of them.

(f) Notwithstanding anything to the contrary contained in this Agreement, Seller shall be solely responsible for any and all amounts payable under the Company Plans set forth on Schedule 3.12(b) of the Seller Disclosure Schedules, including all retention award agreements to any director, officer, employee or independent contractor of the Acquired Companies as a result of the consummation of the proposed transactions, whether arising before, on or after the Closing Date.

5.7 Directors' and Officers' Indemnification and Insurance.

(a) Purchasers shall cause each of the Acquired Companies to continue all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions that have occurred or will occur at or prior to the Closing now existing in favor of the current or former directors and officers of any of the Acquired Companies as provided in the Organizational Documents of the Acquired Companies or any contract between any of such directors or officers and any Acquired Company, in each case, as in effect on the date hereof, for a period of six (6) years following the Closing Date.

(b) In the event that any of the Acquired Companies or any of their respective successors or assigns (i) consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties or other assets to any Person, then, and in each such case, Purchasers shall use Reasonable Best Efforts to cause proper provision to be made, to the extent required, so that the successors and assigns of any Acquired Company shall expressly assume the obligations set forth in this Section 5.7.

(c) The provisions of this Section 5.7 are intended to be for the benefit of, and will be enforceable by, each Indemnified Party and his or her heirs and Representatives, and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise.

5.8 Termination of Affiliate Contracts; Intercompany Indebtedness.

(a) Except as set forth in Schedule 5.8(a) of the Seller Disclosure Schedules and except as agreed to in writing by Sellers and Purchasers, each Seller and its

Affiliates shall take such action as may be necessary to terminate all Affiliate Contracts, including any agreements or understandings (written or oral) with respect thereto, prior to, or simultaneously with, the Closing. Notwithstanding the foregoing, in the absence of a written agreement, the provision of any services (similar to those contemplated by the preceding sentence) by any Seller to any Acquired Company from and after the Closing, which services may be provided by such Seller in its sole discretion, shall be for the convenience, and at the expense, of Purchasers, upon mutually agreed terms.

(b) At or immediately prior to the Closing, Sellers shall cause the Acquired Companies to pay in immediately available funds such amounts to, or as directed by, the Subsidiaries of Parent to which such amounts are owed to repay all of the Intercompany Indebtedness outstanding at the Closing, without any continuing Liability to or obligation of the Acquired Companies.

5.9 Supplements to Seller Disclosure Schedules. Sellers and the Companies may, from time to time prior to the Closing (but in any event, on or before the fifth (5th) Business Day prior to the Closing) by written notice to Purchasers, supplement the Seller Disclosure Schedules to disclose any matter which is necessary to complete or correct any representation or warranty of the Companies or Sellers that has been rendered inaccurate or incomplete due solely to any change, event, effect or occurrence since the date of this Agreement (each such update, a “Schedule Update”). If (a) Purchasers have the right to terminate this Agreement pursuant to Section 7.1(d) as a result of any change, event, effect or occurrence set forth in a Schedule Update and does not exercise such right within ten (10) Business Days thereof and (b) such Schedule Update relates solely to changes, events, effects or occurrences arising after the date of this Agreement then such Schedule Update shall be deemed to have amended the disclosure schedules as of the date of this Agreement, to have qualified the representations and warranties contained in Article II and Article III, as the case may be, as of the date of this Agreement, and to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of the existence of any such change, event, effect or occurrence. Sellers shall provide to Purchasers any information relating to any Schedule Update reasonably requested by Purchasers. For the avoidance of doubt, if (i) Purchasers would not have the right to terminate this Agreement pursuant to Section 7.1(d) as a result of any change, event, effect or occurrence set forth in a Schedule Update or (ii) a Schedule Update does not relate solely to changes, events, effects or occurrences arising after the date of this Agreement, then such Schedule Update shall not be deemed to have amended the schedules as of the date of this Agreement, to have qualified the representations and warranties contained in Article II and Article III as of the date of this Agreement or to have cured any misrepresentation or breach of warranty that may exist hereunder by reason of the existence of such matter.

5.10 Use of Certain Names.

(a) As soon as reasonably practicable, but in any event within thirty (30) days following the Closing, Purchasers shall, and shall cause each Acquired Company to, cease using the words set forth in Schedule 5.10(a) of the Seller Disclosure Schedules and all trademarks, trade names, logos and symbols (collectively, the “Seller Marks”), and any words or expressions similar thereto or constituting an abbreviation or extension thereof or that would raise a reasonable likelihood of confusion with the Seller Marks, including eliminating the Seller Marks from the Real Property and the material assets of the Project Companies, and disposing of any unused stationery and literature of the Acquired Companies bearing the Seller Marks. Each Purchaser acknowledges that the Seller Marks are owned exclusively by Sellers or the Non-Company Affiliates, and, except to the extent expressly permitted by this Section 5.10(a), from and after the Closing, Purchasers shall not, and shall cause each Acquired Company and their Affiliates not to, use the Seller Marks or other Intellectual Property rights belonging to Sellers or the Non-Company Affiliates that have not been expressly conveyed to Purchasers or an Acquired Company (“Excluded Intellectual Property”), and each Purchaser acknowledges that it, its Affiliates and the Acquired Companies have no rights whatsoever to use the Seller Marks or other Excluded Intellectual Property. Without limiting the foregoing:

(i) Within sixty (60) days after the Closing Date, Purchasers shall cause each Acquired Company whose name contains any of the Seller Marks to change its name to a name that does not contain any of the Seller Marks and to amend all of the organizational documents of such Acquired Company to eliminate such Seller Marks from the name of such Acquired Company; and

(ii) Within sixty (60) days after the name change contemplated in paragraph (i) above is completed, Purchasers shall provide evidence to Sellers in a format that is reasonably acceptable to Sellers that Purchasers have made all filings required by the Governmental Entities pursuant to clause (a) above and has provided notice to all applicable Governmental Entities and all counterparties to the Company Material Contracts regarding the sale of the Acquired Companies and the new address for notice purposes.

(b) In connection with any use of the Seller Marks by any Purchaser or the Acquired Companies to the extent expressly permitted pursuant to this Section 5.10, Purchasers shall and shall cause each Acquired Company to comply with, in all respects, all of Sellers’ and the Non-Company Affiliates’ quality control requirements, policies and guidelines in effect at such time and as may be provided to Purchasers or any Acquired Company by Sellers from time to time during the use of the Seller Marks in accordance with this Section 5.10.

5.11 Financing.

(a) Each Purchaser shall use, and shall cause each of its respective Affiliates to use, their respective Reasonable Best Efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange and obtain the proceeds of the Financing on the terms and conditions, taken as a whole (including any “flex” provisions), described in the Commitment Letters, including executing and delivering all such documents and instruments as may be reasonably required thereunder and (i) using (and causing its Affiliates to use) their respective Reasonable Best Efforts to (v) comply with and maintain in effect the Debt Financing and the Debt Commitment Letter, (w) satisfy on a timely basis all terms, covenants and conditions set forth in the Debt Commitment Letter and the Financing Agreements (including by consummating the Equity Financing pursuant to the terms of the Equity Commitment Letter and by paying any commitment fees or other fees or deposits required by the Commitment Letters or the Financing Agreements), (x) accept (and comply with) to the fullest extent all “flex” provisions contemplated by the Debt Commitment Letter and the Financing Agreements to the extent such “flex” provisions are exercised in accordance with the terms thereof, (y) enter into definitive agreements with respect to the Debt Financing on the terms and conditions contemplated by the Debt Commitment Letter (including any escrow agreement entered into pursuant to Section 5.11(i), the “Financing Agreements”) and comply with and maintain in effect the Financing Agreements and (z) consummate the Debt Financing as promptly as practicable but in any event no later than the Closing, and (ii) enforcing its rights under the Debt Commitment Letter and Financing Agreements in the event of a breach by the lenders under the Debt Commitment Letter or the Financing Agreements.

(b) Purchasers shall not permit any amendment, supplement, modification or replacement of, or grant any waiver under any Commitment Letter or any Financing Agreement that (i) reduces the amount of aggregate cash proceeds available from the Debt Financing below the amount necessary for Purchasers to complete the Transaction on the terms and subject to the conditions set forth in this Agreement and to consummate the transactions contemplated by this Agreement, including for Purchasers to pay the aggregate amounts payable pursuant to Article I at the Closing and for the payment of all fees, costs and expenses to be paid by Purchasers related to the transactions contemplated by this Agreement, including such fees, costs and expenses relating to the Financing, unless the Equity Financing is increased by a corresponding amount, (ii) imposes new or additional conditions or otherwise expands, amends or modifies any of the conditions to the receipt of the Financing, in each of the cases of clauses (i) and (ii), in a manner materially adverse to Sellers or the Acquired Companies (it being understood and agreed Purchasers may, without the consent of Sellers, (A) amend or otherwise modify the Debt Commitment Letter to add lenders, lead arrangers, bookrunners, syndication agents or similar entities that have not executed the Debt Commitment Letter as of the date of this Agreement or (B) amend or modify the Debt Commitment Letter in connection

with entry into a New Debt Commitment Letter or an Alternative Financing and/or to implement the flex provisions set forth in any fee letter, so long as any such flex term does not adversely affect the conditionality, availability or termination of the Financing), (iii) make it less likely that the Financing would be funded (including by making the conditions to obtaining the Financing less likely to occur) or otherwise prevent or delay or impair the ability or likelihood of any Purchaser to timely consummate the transactions contemplated by this Agreement, or (iv) adversely impact the ability of any Purchaser to enforce its rights against the other parties to the Commitment Letters or the Financing Agreements. No Purchaser shall agree to the withdrawal, termination, repudiation or rescission of any Commitment Letter or Financing Agreement without the prior written consent of Sellers, and shall not release or consent to the termination of the obligations of the lenders under the Debt Commitment Letter (except as otherwise provided therein). Upon any amendment, supplement, modification or replacement of, or waiver of, any Commitment Letter or Financing Agreement in accordance with this Section 5.11(b), Purchasers shall deliver a copy thereof to Sellers and references herein to "Commitment Letters," "Debt Commitment Letter," "Equity Commitment Letters" and "Financing Agreements" shall include and mean such documents as amended, supplemented, modified, replaced or waived in compliance with this Section 5.11, and references to "Financing," "Debt Financing" and "Equity Financing" shall include and mean the financing contemplated by the Commitment Letters or Financing Agreements as amended, supplemented, modified, replaced or waived in compliance with this Section 5.11(b), as applicable.

(c) Purchasers shall use their Reasonable Best Efforts to keep the Sellers reasonably informed with respect to the status of the Debt Financing contemplated by the Debt Commitment Letter and shall give the Sellers prompt notice of any material adverse change with respect to the availability of the Debt Financing that would reasonably be expected to delay or prevent the Closing. Without limiting the foregoing, Purchasers agree to notify the Sellers promptly, and in any event within two (2) Business Days, if at any time (i) the Debt Commitment Letter shall expire or be terminated for any reason, (ii) any financing source that is a party to the Debt Commitment Letter notifies Investors or Purchasers that such financing source no longer intends to provide financing to Investors or Purchasers (or their applicable Affiliate) on the terms set forth therein, or (iii) for any reason Purchasers no longer believe in good faith that they or Investors or their respective Affiliates will be able to obtain all or any portion of the Debt Financing contemplated by the Debt Commitment Letter on the terms described therein. Purchasers shall not, and shall not permit any of its Affiliates to, without the prior written consent of the Sellers, take or fail to take any action or enter into any transaction, including any merger, acquisition, joint venture, disposition, Contract or debt or equity financing, that could reasonably be expected to materially impair, delay or prevent consummation of the Debt Financing contemplated by the Debt Commitment Letter or any Alternative Financing contemplated by any New Debt Commitment Letter.

(d) If all or any portion of the Debt Financing becomes or could become unavailable on the terms and conditions (including any “flex” provisions) or from the sources contemplated in the Debt Commitment Letter or the Financing Agreements for any reason or any of the Debt Commitment Letter or the Financing Agreements shall be withdrawn, terminated, repudiated or rescinded for any reason (but without limiting the obligations of Purchasers in the last sentence of Section 5.11(b) and in Section 5.11(a)(ii) and Section 5.11(a)(iii)) in a manner materially adverse to Purchasers for any reason, (i) Purchasers shall promptly (but in any event, within two (2) Business Days) so notify Sellers and (ii) Purchasers shall use their Reasonable Best Efforts to arrange to obtain, as promptly as practicable following the occurrence of such event (and in any event no later than the Closing), and to negotiate and enter into definitive agreements with respect to, alternative debt financing from the same or alternative debt financing sources (the “Alternative Financing”) in an amount sufficient to consummate the transactions contemplated by this Agreement (or replace any unavailable portion of the Debt Financing), and to obtain a new financing commitment letter (including any associated engagement letter and related fee letter) with respect to such Alternative Financing (collectively, the “New Debt Commitment Letter”), copies of which shall be promptly provided to Sellers (with only the fee amounts and market flex terms redacted from the fee letter in a customary manner (so long as the redaction does not cover terms that would adversely affect the conditionality, availability or termination of the Debt Financing)); provided that Purchasers shall not be required to obtain Alternative Financing on terms and conditions that are materially less favorable, taken as a whole, to Purchasers than those in the Debt Commitment Letter that such Alternative Financing and New Debt Commitment Letter would replace. Notwithstanding the foregoing, no Alternative Financing or New Debt Commitment Letter may expand upon the conditions precedent or contingencies to the funding of the Debt Financing on the Closing as set forth in the Debt Commitment Letter in effect on the date hereof or otherwise include terms (including any “flex” provisions) that would reasonably be likely to make the likelihood that the Alternative Financing would be funded less likely. In the event any Alternative Financing is obtained and a New Debt Commitment Letter is entered into in accordance with this Section 5.11(c), references herein to (A) “Financing Commitments” and “Debt Commitment Letter” shall be deemed to include and mean the Debt Commitment Letter to the extent not superseded by a New Debt Commitment Letter to the extent then in effect, and (B) “Financing Commitments” or “Debt Financing” shall include and mean the debt financing contemplated by the Debt Commitment Letter as modified pursuant to the preceding clause (A). Without the Sellers’ prior written consent, no Purchaser shall directly or indirectly take any action that would or would be reasonably expected to result in the Financing not being available.

(e) Purchasers acknowledge and agree that they shall be fully responsible for obtaining the Equity Financing and shall take (or cause to be taken) all actions, and do (or cause to be done) all things, necessary, proper or advisable to obtain the Equity

Financing pursuant to and in accordance with and subject to the terms and conditions set forth in the Equity Commitment Letters, including taking all actions necessary to (i) comply with the terms of and maintain in effect the Equity Commitment Letters, (ii) satisfy on a timely basis all conditions in such Equity Commitment Letters to be satisfied by Purchaser, (iii) consummate the Equity Financing at or prior to the Closing subject to the terms and conditions of the Equity Commitment Letters and (iv) enforce its rights under the Equity Commitment Letters to the extent the Investors are required to fund under their respective Equity Commitment Letter pursuant to the terms thereof and this Agreement.

(f) Purchasers shall not amend, alter or waive, or agree to amend, alter or waive (in any case whether by action or inaction), any term of the Equity Commitment Letter without the prior written consent of Sellers. Purchasers shall promptly (and in any event within two (2) Business Days) notify the Acquired of (i) the expiration or termination (or attempted or purported termination, whether or not valid) of any Equity Commitment Letter, or (ii) any refusal by an Investor named in an Equity Commitment Letter to provide the full financing contemplated by such Equity Commitment Letter.

(g) Purchasers shall fully pay any and all commitment fees or other fees in connection with the Financing that become due and payable after the date hereof.

(h) Each Purchaser acknowledges and agrees that neither the obtaining of the Financing or any alternative financing, nor the completion of any issuance of securities contemplated by the Financing or any alternative financing, is a condition to the Closing.

(i) Without limiting the other provisions of this Section 5.11, Purchasers agree that they shall use Reasonable Best Efforts to cause their Affiliates to use Reasonable Best Efforts to cause the Loans to be funded into escrow (the "Escrow Financing") as promptly as practicable after the date of this Agreement; provided, however, that, any escrow agreement entered into by the Purchasers, the other parties to the Debt Commitment Letter and the escrow agent pursuant to this Section 5.11(i) shall not have any additional conditions precedent to the release of the Loans from escrow to Purchasers other than those set forth in the Debt Commitment Letter. In connection with the foregoing, Sellers agree to reimburse Purchasers for Sellers' Share of Escrow Financing Expenses for the Escrow Financing Term as for provided in Section 10.12. Sellers obligation to reimburse Purchasers pursuant to this Section 5.11(i) shall cease upon any material breach of this Agreement by Purchasers. Purchasers agree that they shall be responsible for all other fees, costs, expenses, or other payments due under the Escrow Financing (including any Escrow Financing Expenses in excess of Sellers' Share of Escrow Financing Expenses).

5.12 Restructuring Transactions. Sellers shall cause the Companies to consummate the Restructuring Transactions prior to the Closing. Sellers shall be permitted to take such ancillary actions as may be necessary or advisable to effectuate the purpose of the Restructuring Transactions without the consent of the other Parties, other than such action as would reasonably be expected to have, individually or in the aggregate, an adverse effect on any Acquired Company. In addition, Sellers shall be permitted to make such modifications to the Restructuring Transactions as would not reasonably be expected to have, individually or in the aggregate, an adverse effect on any Acquired Company.

5.13 Real Property Transfer. During the Interim Period, Sellers and the El Salvador Acquired Companies Country Segment shall be permitted to undertake the plan set forth in Schedule 5.13 of the Seller Disclosure Schedules and any ancillary actions as may be necessary or advisable to effect the purpose of such plan, other than such action as would reasonably be expected to have, individually or in the aggregate, a material and adverse effect on an Acquired Company. If the plan set forth in Schedule 5.13 has not been completed prior to the Closing, Purchasers shall use Reasonable Best Efforts to cause such plan to be fully executed as soon as reasonably practicable following the Closing.

5.14 Tax Matters.

(a) Transfer Taxes. Sellers shall be responsible for the timely payment of all Transfer Taxes, if any, arising out of or in connection with the Restructuring Transactions and the transactions described in the first sentence of Section 5.8(a) and in Section 5.8(b) and Section 5.13. Subject to the foregoing, Purchasers, on the one hand, and Sellers, on the other hand, shall each be responsible for the timely payment of fifty percent (50%) of all Transfer Taxes imposed in connection with the Transaction. The Party responsible for a Transfer Tax shall prepare and file when due all necessary documentation and Tax Returns with respect to such Transfer Taxes.

(b) Tax Returns. Except as otherwise provided in Section 5.14(a):

(i) Sellers shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns that are required to be filed by any Acquired Company for a Pre-Closing Tax Period. Sellers shall provide a draft of such Tax Returns to Purchasers as soon as reasonably practicable but no later than ten (10) Business Days prior to the due date for Purchasers' review and comment. Sellers shall consider in good faith any reasonable changes to such Tax Returns requested by Purchasers to the extent such changes are received by Sellers not later than five (5) Business Days prior to the due date for filing such Tax Returns; provided, however, that to the extent Purchasers determine, with the written

advice of counsel (to be delivered to Sellers and which is reasonably acceptable to Sellers) that there is not at least a “substantial authority” level of comfort within the meaning of Section 6662(d)(2)(B)(i) of the Code (or any corresponding or similar provision of non-U.S. Law) with respect to any position taken by Sellers in any such Tax Return, Sellers shall accept all reasonable comments from Purchasers with respect to such position and shall provide Purchasers with a revised copy of such Tax Return as promptly as reasonably practicable. With respect to any such Tax Return that is prepared by Sellers but required to be filed by Purchasers or any of the Acquired Companies under applicable Law, Sellers shall provide such Tax Returns to Purchasers, together with the amount of any Taxes shown as due thereon, at least two (2) Business Days prior to the due date for filing such Tax Returns and Purchasers shall execute and file, or cause to be executed and filed, such Tax Returns. Sellers shall ensure that Tax Returns that Sellers are obligated to file pursuant to this Section 5.14(b)(i) shall be prepared in a manner consistent with past practices of the applicable Acquired Company, unless otherwise required by GAAP or applicable Law or local accounting principles. With respect to each Tax Return described in this Section 5.14(b)(i) and which is not required to be filed by Purchasers or any of the Acquired Companies under applicable Law, Sellers shall timely remit (or cause to be timely remitted) any Taxes shown as due on such Tax Returns to the extent that Taxes are required to be remitted upon filing such Tax Returns.

(ii) Purchasers shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns that are required to be filed by any Acquired Company for a Straddle Period. All such Tax Returns shall be prepared and filed in accordance with past practices of the applicable Acquired Company, unless otherwise required by a change in GAAP, applicable Law or local accounting principles; and Purchasers shall provide to Sellers as soon as reasonably practicable but no later than twenty (20) Business Days before the due date for filing such Tax Returns a draft copy of each such Tax Return, accompanied by an allocation (as applicable) in accordance with Section 5.14(c) of the Taxes shown to be due on such Tax Return between the Pre-Closing Tax Period (to be paid by Sellers) and the Post-Closing Tax Period (to be paid by Purchasers), for Sellers’ review and comment. Purchasers shall make any reasonable changes to such Tax Returns requested by Sellers to the extent such changes are received by Purchasers not later than five (5) Business Days prior to the due date for filing such Tax Return. Purchasers shall timely remit, or cause to be timely remitted, all Taxes due in respect of such Tax Returns, and, upon the written request from Purchasers, but in no event later than three (3) Business Days

before the due date for the payment of such Taxes, Sellers shall pay or reimburse (as applicable) Purchasers for the portion of such Taxes for which Sellers are liable pursuant to Section 5.14(j).

(iii) Without the prior written consent of Sellers, Purchasers shall not amend, refile or otherwise modify, or cause or permit to be amended, refiled or otherwise modified, any Tax Return filed by any Acquired Company for any taxable year or period beginning on or before the Closing Date, unless such action is required to comply with applicable Law or to the extent required by a final resolution of an audit, claim or other proceeding related to Taxes contested in accordance with Section 5.14(e).

(c) Straddle Period Tax Liabilities. Where it is necessary for purposes of this Agreement to apportion between Sellers and Purchasers the Taxes of or with respect to any Acquired Company for any Straddle Period, such liability shall be apportioned between the period deemed to end at the close of the Closing Date and the period deemed to begin at the beginning of the day following the Closing Date on the basis of an interim closing of the books, except that Taxes (such as real or personal property Taxes) imposed on a periodic basis shall be allocated on a daily basis.

(d) Cooperation on Certain Tax Matters. From and after the Closing, Purchasers, Sellers and each of their Affiliates shall furnish or cause to be furnished to each other or to the Acquired Companies, upon request, as promptly as reasonably practicable, such information (including access to books and records relating to Taxes, but only to the extent such books and records are solely and directly related to the Acquired Companies) and assistance relating to the Acquired Companies as is reasonably necessary for (i) the preparation and filing of any Tax Return, amended Tax Return or claim for refund, (ii) the preparation for any audit, examination or other Action or proceeding with respect to Taxes and for the prosecution or defense of any Action relating to any proposed adjustment or (iii) determining a Liability for Taxes. Such cooperation and information shall include providing copies of all relevant portions of relevant Tax Returns, together with all relevant portions of relevant accompanying schedules, relevant documents relating to rulings or other determinations by Taxing Authorities and relevant records concerning the ownership and Tax basis of property and other relevant information, which any such Party or its Affiliates may possess. From and after the Closing, Purchasers agree to retain or cause to be retained all books and records held by it or any of its Affiliates (including the Acquired Companies) relating to Taxes of the Acquired Companies for a Pre-Closing Tax Period or Straddle Period through at least the expiration of the applicable statute of limitations, and to abide by or cause the abidance with all record retention agreements entered into with any Taxing Authority. From and after the Closing, Purchasers agree to notify Sellers at least sixty (60) days before Purchasers or any of their respective Affiliates transfer, discard or destroy any

such books and records after the period set forth in the preceding sentence and, if Sellers notify Purchasers in writing within such sixty-day (60-day) period that they intend to take possession of such books and records, Purchasers and their respective Affiliates shall allow Sellers and any of their Representatives (at their expense) to take possession of such books and records and shall not transfer, discard or destroy such books and records unless Sellers notify Purchasers in writing that they no longer intend to take possession thereof. Purchasers and Sellers shall reasonably cooperate with each other in the conduct of any audit, filing of Tax Returns or other proceedings involving any Acquired Company for any Tax purposes and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 5.14.

(e) Contests.

(i) If a Party entitled to indemnification pursuant to Section 5.14(i) receives any communication from a Taxing Authority concerning any pending or threatened audit, claim, demand or administrative or judicial proceeding relating to any Taxes or Tax Return which might result in such Party being entitled to an indemnity payment pursuant to Section 5.14(i) (a "Tax Claim"), the Party that may be entitled to indemnification shall promptly, and in no event later than ten (10) Business Days after receipt of any such communication, provide to the Party that may be required to provide indemnification written notice specifying in reasonable detail the basis for such Tax Claim and shall include a copy of the relevant portion of any correspondence received from the Taxing Authority in respect of such Tax Claim; provided, however, that the failure of such Party seeking indemnification to give such prompt and detailed notice shall not relieve the Party that may be required to provide indemnification of any of its obligations under Section 5.14(i), except if, and only to the extent that, the Party that may be required to provide indemnification is prejudiced by such failure (as determined by a court of competent jurisdiction).

(ii) Sellers shall control, in their sole discretion, the defense or prosecution of any Tax Claim relating to the Acquired Companies for any Pre-Closing Tax Period; provided, however, that Purchasers shall be entitled to participate in any such Tax Claim at their own cost and expense, and Sellers shall not, without the prior written consent of Purchasers, which consent shall not be unreasonably withheld, conditioned or delayed, enter into any compromise or settlement of any such Tax Claim that is reasonably likely to increase Purchasers' or the Acquired Companies' liability for Taxes of the Acquired Companies for a Post-Closing Tax Period.

(iii) Purchasers shall control, in their sole discretion, the defense or prosecution of any Tax Claim relating to the Acquired Companies that is not covered by clause (ii); provided, however, that in the case of any such Tax Claim with respect to a Straddle Period or with respect to a Post-Closing Tax Period for which any Seller may have liability under this Agreement, (A) Purchasers shall defend or prosecute the applicable Tax Claim diligently and in good faith; (B) Purchasers shall not, without the prior written consent of Sellers, enter into any compromise or settlement of any such Tax Claim; (C) Purchasers shall promptly inform Sellers of all developments and events relating to such Tax Claim (including promptly responding to questions and information requests and promptly providing to Sellers copies of relevant correspondence to or from any applicable Taxing Authorities relating to such Tax Claim); (D) Sellers or their authorized representatives shall be entitled, at the expense of Sellers, to attend, observe and participate in, but not control, all conferences, meetings and proceedings relating to such Tax Claim; and (E) Purchasers shall take into account all reasonable comments received by Sellers with respect to the defense or prosecution of such Tax Claim.

(f) Carrybacks. Following the Closing Date, Purchasers shall, and shall cause the Acquired Companies to elect, where permitted by Law, to waive the right to carryback to any Pre-Closing Tax Period, or any Straddle Period, any income Tax losses, credits or similar items attributable to any Acquired Company.

(g) Certain Post-Closing Actions.

(i) Purchasers shall not take, or cause or permit any other Person to take, any action (including making, changing or revoking any Tax election) outside the ordinary course of business consistent with past practice to the extent such action could reasonably be expected to (x) increase a Seller's or any of its Affiliates' liability for Taxes or (y) result in, or change the character of, any income or gain that must be reported on any Tax Return filed or to be filed by a Seller or any of its Affiliates (including any Tax Return filed or required to be filed by any Acquired Company for a taxable year or period beginning on or before the Closing Date).

(ii) In addition, and without limiting the generality of the foregoing, from the Closing Date through the end of the taxable periods of each of the Acquired Companies that include the Closing Date, Purchasers shall not, and shall cause their respective Affiliates (including the Acquired Companies) not to (x) take any action or enter into any transaction that would be considered

under the Code to constitute the payment of an actual or deemed dividend by any Acquired Company, including pursuant to Section 304 of the Code, (y) except in the ordinary course of business consistent with past practice, dispose of the stock of any Acquired Company that is treated at the time of such disposition as a corporation for U.S. federal income Tax purposes in a transaction in which gain or loss is recognized for U.S. federal income Tax purposes and (z) except in the ordinary course of business consistent with past practice, pay any distribution treated in whole or in part as a dividend under Sections 316 and 301(c)(1) of the Code from any Acquired Company that is treated (at the time of such distribution) as a corporation for U.S. federal income Tax purposes, other than (A) any such distribution that does not create subpart F income for U.S. federal income Tax purposes or (B) any distribution needed to pay scheduled principal or interest on any Indebtedness of any Acquired Company that existed as of the Closing or that results from a bona fide refinancing of any such Indebtedness (including, in each case, any interest on such Indebtedness accruing after the Closing).

(h) Tax Refunds. Upon receipt, Purchasers shall promptly pay to the applicable Seller the amount of any refund (whether direct or indirect through a right of set-off or credit) of Taxes actually realized by or with respect to any Acquired Company (“Tax Refund”), and any interest received thereon, with respect to any Pre-Closing Tax Period or the pre-Closing portion of any Straddle Period (as determined under Section 5.14(c)). Upon receipt, Sellers shall promptly pay to Purchasers the amount of any Tax Refund, and any interest received thereon, with respect to any Post-Closing Tax Period and the post-Closing portion of any Straddle Period (as determined under Section 5.14(c)). Any payment pursuant to this Section 5.14(h) shall be made net of any Taxes or expenses incurred by the payor as a result of the realization or receipt of such refund of Taxes.

(i) Indemnification for Taxes.

(i) Sellers shall indemnify and hold harmless the Purchaser Indemnified Parties from and against (A) all Taxes of any Acquired Company for any Pre-Closing Tax Period or the pre-Closing portion of any Straddle Period, determined in accordance with Section 5.14(c), including, but not limited to, all income and capital gains Taxes of any Acquired Company for any Pre-Closing Tax Period or the pre-Closing portion of any Straddle Period, determined in accordance with Section 5.14(c), attributable to the Restructuring Transactions and the transactions described in the first sentence of Section 5.8(a) and in Section 5.8(b) and Section 5.13, (B) all Taxes required to be paid by any Acquired Company by reason of such Acquired Company having been a member of an affiliated, consolidated, unitary, or similar group prior to the Closing,

including pursuant to Treasury Regulation section 1.1502-6 or any comparable state, local or foreign Law, (C) all Taxes of any Person required to be paid by any Acquired Company as a transferee or successor pursuant to applicable Law, in either case where the liability of such Acquired Company for such Taxes is attributable to an event or transaction occurring before the Closing, including a merger or reorganization involving such Acquired Company, (D) except as otherwise provided by this Agreement or any other Contract, all Taxes of Sellers or Affiliates of Sellers (other than the Acquired Companies), (E) the breach of any representation or warranty contained in Section 3.9, (F) all income and capital gains Taxes imposed on any Acquired Company or Purchasers resulting from the sale of the Company Shares pursuant to this Agreement (including those attributable to any deemed or indirect transfer of an interest in any Acquired Company triggered by such sale of the Company Shares), (G) the Peruvian ITF tax (“Impuesto a las Transacciones Financieras”) that may be imposed on any amounts to be paid by Purchasers into Sellers’ Peruvian bank accounts (if any), (H) Taxes attributable to any breach by any Seller under this Section 5.14; and (I) any Damages related to the foregoing; provided, however, Sellers shall not have any obligation to indemnify the Purchaser Indemnified Parties pursuant to this Section 5.14(i) to the extent such Taxes are attributable to any breach by any Purchaser under this Agreement.

(ii) Purchasers shall indemnify and hold harmless the Seller Indemnified Parties from and against (A) all Taxes of any Acquired Company for any Post-Closing Tax Period or the post-Closing portion of any Straddle Period, determined in accordance with Section 5.14(c); (B) Taxes attributable to any breach by any Purchasers under this Section 5.14; (C) the Peruvian ITF tax (“Impuesto a las Transacciones Financieras”) that may be imposed on any amounts to be paid by Sellers into Purchasers’ Peruvian bank accounts (if any); and (D) any Damages related to the foregoing; provided, however, Purchasers shall not have any obligation to indemnify the Seller Indemnified Parties pursuant to this Section 5.14(i) to the extent such Taxes are attributable to any breach by Sellers under this Agreement.

(j) Purchase Price Allocation. Within ninety (90) days after the determination of the Adjustment Amount, but in no event more than one hundred fifty (150) days after the Closing, the Sellers shall provide Purchasers with a written allocation of the Purchase Price (including any adjustments thereto pursuant to this Agreement), plus any liabilities deemed assumed for U.S. federal income Tax purposes (the “Purchase Price Allocation Statement”). Sellers may engage a third-party appraisal firm to assist the Sellers in preparing the Purchase Price Allocation Statement. If Purchasers disagree with Sellers with respect to any material item

in the Purchase Price Allocation Statement, Purchasers shall notify Sellers in writing within thirty (30) days of receipt of the Purchase Price Allocation Statement. Purchasers and Sellers shall negotiate in good faith to resolve the dispute. If Purchasers and Sellers are unable to resolve the dispute within fifteen (15) days following receipt by Sellers of Purchasers' disagreement, the Parties shall submit the dispute for resolution by a mutually agreed upon nationally-recognized accounting firm (the "Accounting Firm"), which resolution shall be final, conclusive and binding on the Parties. Purchasers and Sellers shall instruct the Accounting Firm to prepare and deliver a revised Purchase Price Allocation Statement to Purchasers and Sellers within thirty (30) days of the referral of such dispute to Accounting Firm, taking into account all items not in dispute between Purchasers and Sellers (to be included in the revised Purchase Price Allocation Statement in the amounts agreed by Purchasers and Sellers) and those unresolved items requested by Purchasers and Sellers to be resolved by the Accounting Firm. The Parties will share the expenses of the Accounting Firm equally. Each of Purchasers and Sellers shall (i) timely file with each relevant Governmental Entity all forms and Tax Returns required to be filed in connection with the allocations set forth in the Purchase Price Allocation Statement, (ii) be bound by such allocations for purposes of determining Taxes, (iii) prepare and file, and cause their respective Affiliates to prepare and file, their Tax Returns on a basis consistent with such allocations, and (iv) not take any position, or cause their respective Affiliates to take any position, inconsistent with such allocations on any Tax Return, in any audit or proceeding before any Governmental Entity or in any report made for Tax purposes; provided, however, that, notwithstanding anything in this Section 5.14(j) to the contrary, the Parties shall be permitted to take a position inconsistent with that set forth in the Purchase Price Allocation Statement if required to do so by a final and non-appealable decision, judgment, decree or other order by any court of competent jurisdiction.

(k) Section 338(g) Election. If, and only if, requested by Sellers, Purchasers shall timely make an election under Section 338(g) of the Code (and any comparable election under state, local or foreign Tax Law) (a "Section 338(g) Election") with respect to each Acquired Company for which Sellers make such a request. Purchasers will prepare and timely file, or cause to be prepared and timely filed, all documentation required to be submitted to any Taxing Authority in accordance with any applicable Tax Law for each such Section 338(g) Election, including IRS Forms 8023 and 8883 and any similar forms under applicable state, local and foreign Tax Laws (collectively, the "Section 338(g) Forms"), and will provide Sellers with final copies of such Section 338(g) Forms and other documentation confirming their filing not later than fifteen (15) days after such forms are filed. Not later than thirty (30) days prior to the due date for filing of any IRS Form 8883 prepared by Purchasers in accordance with the preceding sentence, Purchasers shall provide Sellers with a draft copy of such IRS Form 8883 for review and comment, and Purchasers shall include, in the IRS Form 8883 filed, all comments provided by Sellers with respect to any such draft copy not later than five (5) days prior to such

due date. If any Section 338(g) Election is requested pursuant to this Section 5.14(k), Purchasers shall provide Sellers with written notice of such Section 338(g) Election and an executed copy of the applicable IRS Form 8023, its attachments and instructions in accordance with the requirements of Treasury Regulations § 1.338-2(e)(4) (any documents so provided, collectively, the “Section 338(g) Notice Documents”) at the Closing. Purchasers shall, and shall cause their respective Affiliates (including the Acquired Companies) to, file all Tax Returns in a manner consistent with any Section 338(g) election made pursuant to this Section 5.14(k) and any Section 338(g) Forms, and shall take no position contrary thereto.

(l) Additional Tax Elections. Upon prior written notification to Purchasers, Sellers shall be entitled in their sole discretion, at any time prior to the Closing, to elect under Treasury Regulations section 301.7701-3(c) to treat as a disregarded entity for U.S. federal Tax purposes any Acquired Company that is currently treated as a corporation for U.S. federal Tax purposes.

5.15 Insurance Policies.

(a) Effective at the Closing, all self-insurance arrangements shall terminate with respect to the Acquired Companies without any further action or liability on the part of the parties thereto.

(b) From and after the Closing, Purchasers shall be solely responsible for providing insurance to the Acquired Companies for any event or occurrence after the Closing.

(c) Except as set forth on Schedule 5.15(b) of the Seller Disclosure Schedules, if any claims have been made prior to the Closing Date against any of the insurance policies that by its terms does or may terminate as a result of the transactions contemplated by this Agreement, then Sellers shall use their Reasonable Best Efforts to permit after the Closing Date, the relevant Acquired Company to continue to pursue such claims and recover proceeds under the terms of such insurance policies (but only to the extent the terms and conditions of such policies reasonably would provide coverage for such claims), and, subject to all of the foregoing, Sellers agree to otherwise reasonably cooperate with Purchasers to make such benefits of any such insurance policies available to any Purchaser or the Acquired Companies, including, for the avoidance of doubt, the payment of the proceeds received after the date of this Agreement of any claims made prior to the Closing Date under such insurance policies.

5.16 Competing Transactions. No Purchaser shall, and shall not permit any of its Affiliates to, directly or indirectly, acquire or agree to acquire, whether by merger, consolidation, purchasing a substantial portion of the assets of or equity in or by any other manner, any assets, business or any Person, including any electric generation assets or business, as well as any assets or businesses in the trunk transmission sector, if the entering into of a

definitive agreement relating to, or the consummation of such acquisition, merger, consolidation or purchase could reasonably be expected to (a) impose any substantial delay in the expiration or termination of any applicable waiting period or impose any substantial delay in the obtaining of, or substantially increase the risk of not obtaining, any authorizations, consents, orders, declarations or approvals of any Governmental Entity necessary to consummate the transactions contemplated by this Agreement, (b) substantially increase the risk of any Governmental Entity entering an order prohibiting such transactions, (c) substantially increase the risk of not being able to remove any such order prohibiting such transactions on appeal or otherwise or (d) substantially delay or impede the consummation of the Transaction.

5.17 Exclusive Dealing. From the date hereof through the earlier of the Closing Date and the termination of this Agreement, Sellers and the Companies will not, and will cause each of the Sellers' and the Companies' respective Representatives and Affiliates not to, directly or indirectly, solicit, encourage, initiate, accept, agree to or consummate any proposals, inquiries or offers from, solicit, encourage, initiate, enter into or participate in inquiries, discussions or negotiations with, or provide any information to, any Person (other than Purchasers or their respective Representatives or Governmental Entities with respect to the Transaction), concerning the purchase of the Acquired Companies (or any membership interests or capital stock of any thereof) or all or any portion of the Acquired Companies' businesses or any merger, sale of all or substantially all assets or similar transaction involving the Acquired Companies (or any membership interests or capital stock of any thereof) or all or any portion of the Acquired Companies' businesses or otherwise cooperate with or assist or participate in or encourage or facilitate in any other manner any effort or attempt by any Person to do or seek to do any of the foregoing or to effect any transaction inconsistent with the Transaction. Sellers and the Companies will as soon as practicable notify Purchasers if, at any time prior to the Closing Date, any bona fide proposal, offer or written inquiry with respect to any of the foregoing is made and of the terms thereof and the identity of the Person making the same. Sellers and the Companies will cease immediately and cause to be terminated any existing activities, discussions or negotiations with any Person conducted heretofore with respect to any of the foregoing with respect to the Acquired Companies. Sellers and the Companies will promptly request all Persons who have heretofore executed a confidentiality agreement in connection with such Persons' consideration of any of the foregoing transactions to return or destroy all confidential information heretofore furnished to such Persons by or on behalf of any Seller or any Company or any Affiliate of any thereof with respect to the Acquired Companies in accordance with such confidentiality agreement, and will use commercially reasonable efforts to enforce all material obligations under such confidentiality agreements.

5.18 Confidential Information.

(a) From and after the Closing until the two (2) year anniversary of the Closing Date, each Seller will, and will cause each of its Affiliates and their respective Representatives to (i) maintain in strict confidence, as such Person maintains its own confidential information, any and all information concerning the Acquired Companies and (ii) refrain from using such information concerning the Acquired Companies for its own benefit or to the detriment of Purchasers or their respective Affiliates (including the Acquired Companies). It is understood that no Seller, nor any of its Affiliates or their respective Representatives, shall have any liability hereunder with respect to any information that (i) was previously known on a non-confidential basis by such Person (other than as a result of such Seller's prior ownership of the Acquired Companies), (ii) is in or, through no fault of any Seller or any Seller's Affiliates or any Seller's or Seller's Affiliate's Representatives, comes into the public domain, (iii) such Seller is legally required to disclose, (iv) is disclosed in connection with Parent's reporting obligations under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or (v) is later lawfully acquired by such Person from sources other than any Purchaser or its Affiliates (including the Acquired Companies) and such sources are not, to such Person's knowledge at the time of disclosure, under any obligation to Purchasers or their respective Affiliates (including the Acquired Companies) to keep such information confidential.

(b) In the event that any Seller or any of its Affiliates or its or their Representatives are required by Law to disclose any such information, to the extent practical and to the extent permitted by Law, such Seller will promptly notify Purchasers in writing so that Purchasers may seek a protective order and/or other motion to prevent or limit the production or disclosure of such information. If such motion has been denied, then such Seller, Affiliate or Representative may disclose only such portion of such information which (i) in the opinion of such Seller's, Affiliate's or Representative's legal counsel is required by Law to be disclosed (provided, however, that such Seller, Affiliate or Representative will use its Reasonable Best Efforts to preserve the confidentiality of the remainder of such information) or (ii) Purchasers consent in writing to having such information disclosed. Such Seller will not, and will not permit any of its Affiliates or its or its Affiliates' Representatives to, oppose any motion for confidentiality brought by Purchasers or any Acquired Company. Such Seller will continue to be bound by its obligations pursuant to this Section 5.19 for any information that is not required to be disclosed, or that has been afforded protective treatment, pursuant to such motion. This Section 5.18(b) shall not apply to any disclosure pursuant to Section 5.18(a)(iv).

5.19 Financing Cooperation.

(a) Prior to the Closing, subject to Sections 5.19(b) and 5.19(c), Sellers agree to use their Reasonable Best Efforts to provide, and shall cause the Acquired Companies and each of their respective officers, directors, employees, accountants, consultants, investment bankers, legal counsel, agents and other advisors and representatives to provide, at Purchasers'

sole cost and expense, all reasonable and timely cooperation reasonably requested by Purchasers (provided, however, Sellers shall not be required to provide, or cause any Acquired Company or other Affiliate to provide, cooperation under this Section 5.19 that involves any binding commitment by Sellers or any of their Affiliates which commitment is not conditioned on the Closing and does not terminate without liability to Sellers or their Affiliates upon the termination of this Agreement prior to Closing) in connection with the arrangement of the Debt Financing contemplated by the Debt Commitment Letter or any Alternative Financing (collectively, the "Available Financing"), including, subject to clauses (b) and (c) below, (i) if applicable facilitating the pledging of collateral and obtaining surveys and title insurance as reasonably requested by Purchasers (provided that such pledge will not take effect until the Closing) (ii) taking such corporate actions as shall be reasonably necessary to permit the consummation of the Financing Agreements and to permit the proceeds thereof to be made available to Purchasers at the Closing, (iii) using Reasonable Best Efforts to obtain legal opinions as may reasonably be requested by Purchasers and (iv) subject to the Confidentiality Agreement, using Reasonable Best Efforts to provide and execute necessary documents and certificates, including consents to collateral assignments and officer's certificates, as may be reasonably requested by Purchasers.

(b) Notwithstanding anything in this Agreement to the contrary, (i) no Seller nor any Acquired Company shall be required to cooperate or take any action that would unreasonably interfere with the day-to-day operations of any Seller or any Acquired Company; (ii) no Seller nor any Acquired Company shall be required to pay any commitment or other similar fee or incur any other liability or obligation in connection with the Financing (or any Alternative Financing) prior to the Closing; (iii) no officer, director, employee, accountant, consultant, investment banker, legal counsel, agent or other advisor of any Seller or any Acquired Company shall be required to deliver any certificate or take any other action pursuant to Section 5.19(a) to the extent any such action would reasonably be likely to result in personal liability to such officer, director, employee, accountant, consultant, investment banker, legal counsel, agent or other advisor, (iv) the board of directors (or similar governing body) of any Seller or any Acquired Company shall not be required to approve any Financing (or any Alternative Financing) or agreements related thereto prior to the Closing, (v) no Seller nor any Acquired Company shall be required to take any action that will conflict with or violate its organizational documents, any Laws or result in a violation of breach of, or default under, any Contract to which any Seller or any Acquired Company is a party (vi) no Seller nor any Acquired Company shall be required to provide any information the disclosure of which is prohibited or restricted under applicable Law or is legally privileged and (vii) neither Seller nor any of the Acquired Companies will be responsible in any manner for information relating to the proposed debt and equity capitalization that may be required in connection with the Available Financing or any pro forma financial information delivered in connection therewith or for any data derived from the

Acquired Companies' historical books and records. Nothing in this Section 5.19(b) shall limit the representations and warranties of Sellers contained in Article II and Article III.

(c) Each Purchaser acknowledges and agrees that Sellers, the Acquired Companies, their Affiliates and its and their respective directors, officers, managers, employees, consultants, legal counsel, financial advisors and agents and other representatives shall not have any responsibility for, or incur any liability to any Person under, any financing that any Purchaser or any of its Affiliates may raise in connection with the transactions contemplated by this Agreement or any cooperation provided pursuant to Section 5.19(a); provided, that for the avoidance of doubt, nothing herein shall affect any liability that Sellers may have to Purchasers for breach of any representation, warranty, covenant or agreement set forth in this Agreement. Whether or not the Closing occurs, Purchasers shall promptly upon request by any Seller (and in any event prior to the Closing) reimburse Sellers for all reasonable and documented out-of-pocket fees and expenses of Sellers, the Acquired Companies and each of their respective officers, directors, employees, accountants, consultants, investment bankers, legal counsels, agents or other advisor in connection with their performance of their respective obligations pursuant to Section 5.19(a). Purchasers shall indemnify and hold harmless Sellers, the Acquired Companies and each of their respective officers, directors, employees, accountants, consultants, investment bankers, legal counsels, agents or other advisors, from and against any and all claims, losses, damages, injuries, liabilities, judgments, awards, penalties, fines, Taxes, costs (including cost of investigation), expenses (including reasonable fees and expenses of counsel) or settlement payments (including any claim by or with respect to any such lenders, prospective lenders, agents and arrangers and ratings agencies) incurred or suffered by any of them in connection with the arrangement of the Financing or any Alternative Financing or the performance of their respective obligations under this Section 5.19 and any information utilized therein (other than (i) material misstatements or omissions in information provided in writing by any Seller or any Acquired Company and (ii) any breach of any representation and warranty set forth in Article II or Article III of this Agreement). This Section 5.19(c) shall survive and remain in full force and effect following termination of this Agreement.

5.20 Transition Services Agreement. After the date of this Agreement, each of the Parties shall negotiate in good faith the terms, conditions and form of a transition services agreement (the "Transition Services Agreement") to be entered into at the Closing (and each of the Parties shall use Reasonable Best Efforts, negotiating in good faith, to finalize the form of the Transition Services Agreement no later than thirty (30) Business Days after the date of this Agreement; provided, however, that (i) the terms of any transition services under the Transition Services Agreement shall be limited to nine (9) months following the Closing Date, subject to extension for an additional three months upon mutual agreement of the Parties or otherwise agreed to in writing by the Parties, (ii) the fees for each such service shall be equal to Sellers' or its applicable Affiliates actual cost to provide such service consistent with Sellers' and its

Affiliates' practice for charging services to Affiliates, and (iii) such services shall be as mutually agreed to by the Parties and shall expressly exclude any services that would violate Law or any Contract (including any license) or would require Sellers or any of their Affiliates to seek any consent, assignment or approval of any third party (including any Governmental Authority).

5.21 Casualty. If any of the material physical assets or properties of the Acquired Companies (taken as a whole) that are primarily used and necessary for the conduct of the businesses of the Acquired Companies, are damaged or destroyed by casualty loss after the date hereof and prior to the Closing, and (a) the cost of restoring such damaged or destroyed material physical assets or properties to a condition reasonably comparable to their prior condition and (b) the amount of any lost profits, in each case, to the extent such costs and lost profits are reasonably expected to accrue after the Closing as a result of such damage or destruction to such material physical assets or properties (net of and after giving effect to any insurance proceeds available to the Acquired Companies for such restoration and lost profits and any Tax benefits related thereto) (such costs and lost profits with respect to any such material physical assets or properties, the "Restoration Cost") is greater than a dollar amount equal to one percent (1%) of Purchase Price but does not exceed a dollar amount equal to ten percent (10%) of Purchase Price, Sellers may elect to reduce the amount of the Purchase Price by the estimated Restoration Cost (as estimated by a qualified firm reasonably acceptable to Purchasers and Sellers), by notice to Purchasers, and such casualty loss shall not affect the Closing. If Sellers do not make such an election within forty-five (45) days after the date such casualty loss is discovered, Purchasers may elect to terminate this Agreement within ten (10) Business Days after the end of such forty-five (45) day period by written notice to Sellers. If the Restoration Cost is in excess of a dollar amount equal to ten percent (10%) of Purchase Price, Sellers may, by notice to Purchasers within forty-five (45) days after the date of such casualty loss, elect to (x) reduce the Purchase Price by the estimated Restoration Cost (as estimated by a qualified firm reasonably acceptable to Purchasers and Sellers) or (y) terminate this Agreement, in each case by providing written notice to Purchasers; provided, however, that if Sellers do not elect to terminate this Agreement as provided in this sentence, then Purchasers may, by written notice to Sellers, terminate this Agreement within ten (10) Business Days of receipt by Purchasers of Sellers' notice regarding its election. If the Restoration Cost is a dollar amount equal to one percent (1%) of Purchase Price or less, (i) neither Purchasers nor Sellers shall have the right or option to terminate this Agreement and (ii) there shall be no reduction in the amount of the Purchase Price. In the event that Sellers elect to reduce the Purchase Price in accordance with this Section 5.21, Sellers shall, and shall cause their Non-Company Affiliates to, use Reasonable Best Efforts to collect amounts due (if any) under available insurance policies or programs in respect of any such casualty loss and shall cause any such insurance proceeds to be contributed or assigned to the applicable Acquired Company that has suffered such casualty loss without any adjustment to Net Working Capital.

5.22 Condemnation. If any of the material physical assets or properties of the Acquired Companies (taken as a whole) that are primarily used and necessary for the conduct of the businesses of the Acquired Companies are taken by condemnation after the date hereof and prior to the Closing and such material physical assets or properties have the sum of (x) a condemnation value and (y) to the extent not included in preceding clause (x), the amount of any lost profits reasonably expected to accrue after the Closing as a result of such condemnation of such material physical assets or properties (net of and after giving effect to any condemnation award any Tax benefits related thereto) (such sum with respect to any such material physical assets or properties of the Acquired Companies (taken as a whole) that are primarily used and necessary for the conduct of the businesses of the Acquired Companies, the "Condemnation Value") greater than a dollar amount equal to one percent (1%) of Purchase Price but do not have a Condemnation Value (as determined by a qualified firm reasonably acceptable to Purchasers and Sellers) in excess of a dollar amount equal to ten percent (10%) of Purchase Price, Sellers may elect to reduce the Purchase Price by such Condemnation Value (less the amount of any condemnation award and Tax benefits related thereto) by notice to the Purchasers, and such condemnation shall not affect the Closing. If Sellers do not make such an election within forty-five (45) days after the date of such condemnation, Purchasers may elect to terminate this Agreement within ten (10) Business Days after such forty-five (45) day period by written notice to Sellers. If the Condemnation Value is in excess of a dollar amount equal to ten percent (10%) of Purchase Price, Sellers may, by notice to Purchasers within forty-five (45) days after the award of condemnation proceeds, elect to (a) reduce the Purchase Price by such Condemnation Value (after giving effect to any condemnation award available and Tax benefits related thereto) or (b) terminate this Agreement, in each case by providing written notice to Purchasers; provided, however, that if Sellers do not elect to terminate this Agreement as provided in this sentence, then Purchasers may, by written notice to Sellers, terminate this Agreement within ten (10) Business Days of receipt by Purchasers of Sellers' notice regarding its election. If the Condemnation Value is a dollar amount equal to one percent (1%) of Purchase Price or less, (A) neither Purchasers nor Sellers shall have the right or option to terminate this Agreement and (B) there shall be no reduction in the amount of the Purchase Price. In the event that Sellers elect to reduce the Purchase Price in accordance with this Section 5.22, Sellers shall, and shall cause their Non-Company Affiliates to, use Reasonable Best Efforts to collect amounts due (if any) under any applicable condemnation award in respect of any such condemnation and shall cause any such condemnation award to be contributed or assigned to the applicable Acquired Company that has suffered such condemnation without any adjustment to Net Working Capital.

5.23 Further Assurances. Each of Sellers, the Companies and Purchasers agrees that, from time to time before and after the Closing Date, they will execute and deliver, and the Companies shall cause the Company Subsidiaries and the Project Companies to execute and deliver, such further instruments, and take, or cause their respective Affiliates to take, such

other action, as may be reasonably necessary to carry out the purposes and intents of this Agreement. Purchasers, the Companies and Sellers agree to use Reasonable Best Efforts to refrain from taking any action which could reasonably be expected to materially delay the consummation of the Transaction.

5.24 Releases. Sellers shall use Reasonable Best Efforts to obtain from each officer, director and other person set forth on Schedule 1.4 of the Seller Disclosure Schedules, on or prior to the Closing Date, a release releasing the applicable Acquired Company, Purchasers and Purchasers' Affiliates from any past, present or future claim each such officer, director or other person may have against such Acquired Company, Purchasers or Purchasers' Affiliates.

5.25 Repair. Sellers shall use Reasonable Best Efforts, and shall cause the Acquired Companies to use Reasonable Best Efforts, to complete, prior to the Closing Date, a repair of the cooling tower at the Las Palmas II facility in Guatemala to a condition at least comparable to its condition prior to the fire at that facility.

5.26 DEI España. Prior to the Closing, (i) DEI España shall take all entity action reasonably necessary to approve the financial statements for the fiscal years 2011, 2012, 2013, 2014 and 2015, and (ii) shall use its Reasonable Best Efforts to duly file and register such annual accounts with the relevant Spanish Commercial Registry (Registro Mercantil).

5.27 Duqueco Indebtedness. Prior to the Closing, Sellers shall not, and shall cause Duke Energy International Duqueco SpA (Chile) ("Duqueco") and any relevant Acquired Company not to, waive, release, assign, settle, compromise or satisfy any Indebtedness owed by Duqueco to any other Person (such Indebtedness, the "Duqueco Debt"), without the prior written consent of Purchasers (which consent shall not be unreasonably withheld, conditioned or delayed); provided, however, that notwithstanding the foregoing, Duqueco shall be permitted, without the prior written consent of Purchasers, to pay an amount in satisfaction of the Duqueco Debt on the date and to the extent such Duqueco Debt becomes due and payable under applicable Law; provided, further, that if Duqueco makes any payments in respect of the Duqueco Debt pursuant to the previous proviso without the prior written consent of Purchasers, the Parties hereto agree that the Purchase Price shall be reduced on a dollar for dollar basis by the aggregate amount of such payments. Prior to the Closing, Purchasers shall reasonably cooperate with Sellers and Duqueco in connection with negotiating the release, settlement, compromise, or satisfaction of the Duqueco Debt.

ARTICLE VI

CONDITIONS TO CLOSING

6.1 Conditions to Each Party's Obligations to Effect the Closing. The respective obligations of each Party to effect the Closing shall be subject to the satisfaction or waiver (to the extent permitted by Law) by Purchasers and Sellers, on or prior to the Closing Date, of each of the following conditions precedent:

(a) Statutory Approvals. The Required Statutory Approvals, other than those Required Statutory Approvals set forth on Schedule 6.1(a) of the Seller Disclosure Schedules, shall have been obtained and shall have become Final Orders.

(b) No Injunction. No temporary restraining order or preliminary or permanent injunction or other order by any court of competent jurisdiction preventing consummation of the transactions contemplated by this Agreement shall have been issued and be continuing in effect, and the transactions contemplated by this Agreement shall not have been prohibited under any applicable federal or state Law or regulation; provided, however, that the Parties shall use Reasonable Best Efforts to have any such order or injunction vacated or lifted.

(c) Restructuring Transactions. The Restructuring Transactions shall have been consummated in all material respects.

6.2 Conditions to the Obligations of Purchasers to Effect the Closing. The obligation of Purchasers to effect the Closing shall be further subject to the satisfaction or waiver by Purchasers, on or prior to the Closing Date, of each of the following conditions:

(a) Performance of Obligations of Sellers and the Companies. Sellers and the Companies shall have performed in all material respects all obligations contained in or contemplated by this Agreement which are required to be performed by Sellers and the Companies at or prior to the Closing (other than their respective obligations in Section 5.12, which are the subject of Section 6.1(c)).

(b) Representations and Warranties. (i) The representations and warranties of Sellers set forth in Article II and Article III (other than the Designated Representations of Sellers) shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date, or in the case of representations and warranties that expressly speak only as of an earlier date or time, such representations and warranties need only be true and correct as of such earlier date or time, in each case, after giving effect to the Materiality Scrape, except for such failures of representations and warranties to be true and correct that, individually or in the aggregate, have

not had and would not reasonably be expected to have a Company Material Adverse Effect, and (ii) the Designated Representations of Sellers shall be true and correct (except for *de minimis* inaccuracies) as of the Closing Date as though made on and as of the Closing Date.

(c) Company Required Consents. The Company Required Consents identified on Schedule 6.2(c) of the Seller Disclosure Schedules shall have been obtained and shall be in full force and effect.

(d) Officer's Certificate. Purchasers shall have received a certificate from an authorized officer of each Seller, dated the Closing Date, to the effect that the conditions set forth in Sections 6.2(a) and 6.2(b) have been satisfied.

(e) No Material Adverse Effect. Since the date of this Agreement, no Country Segment-Level Material Adverse Effect with respect to Peru and no Company Material Adverse Effect shall have occurred and be continuing.

6.3 Conditions to the Obligations of Sellers to Effect the Closing. The obligation of Sellers to effect the Closing shall be subject to the satisfaction or waiver in writing by Sellers, on or prior to the Closing Date, of each of the following conditions:

(a) Performance of Obligations of Purchasers. Purchasers shall have performed in all material respects all obligations contained in or contemplated by this Agreement which are required to be performed by Purchasers at or prior to the Closing.

(b) Representations and Warranties. (i) The representations and warranties of Purchasers set forth in Article IV (other than the Designated Representations of Purchasers) shall be true and correct on and as of the Closing Date, or, in the case of representations and warranties that expressly speak only as of an earlier date or time, such representations and warranties need only be true and correct as of such earlier date or time, in each case, after giving effect to the Materiality Scrape, except for such failures of representations and warranties to be true and correct that, individually or in the aggregate, have not had and would not reasonably be expected to have a Purchaser Material Adverse Effect, and (ii) the Designated Representations of Purchasers shall be true and correct (except for *de minimis* inaccuracies) as of the Closing Date as though made on and as of the Closing Date.

(c) Purchaser Required Consents. The Purchaser Required Consents identified on Schedule 6.3(c) of the Purchaser Disclosure Schedules shall have been obtained and shall be in full force and effect.

(d) Officer's Certificate. Sellers shall have received a certificate from an authorized officer of each Purchaser, dated the Closing Date, to the effect that the conditions set forth in Sections 6.3(a) and 6.3(b) have been satisfied.

(e) Section 338(g) Notice Documents. Sellers shall have received any Section 338(g) Notice Documents required to be delivered by Purchasers pursuant to Section 5.14(k).

(f) Tax Basis Certificates. Sellers have obtained the Tax Basis Certificates within the forty-five (45) day period ending on the Closing Date (such that they are valid), provided, however, that if Sellers have not obtained the Tax Basis Certificates within the forty-five (45) day period ending on the Closing Date (such that they have not been so obtained or are not valid), then (1) the Closing Date shall be postponed to a date (the "Extended Closing Date") that is the earlier of (i) ten (10) Business Days after the Closing Date, (ii) the Termination Date, or (iii) an earlier Extended Closing Date mutually agreed to by Sellers and Purchasers, and (2) if Sellers have not obtained the Tax Basis Certificates within the forty-five (45) day period ending on the Extended Closing Date (such that they are valid), Sellers and Purchasers shall have entered into the Basis Certificate Escrow Agreement pursuant to Section 1.4(c).

6.4 Frustration of Closing Conditions. No Party may rely on the failure of any condition set forth in this Article VI to be satisfied if such failure was caused by such Party's failure to act in accordance with this Agreement.

ARTICLE VII

TERMINATION

7.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual written agreement of Purchasers, each Company and each Seller;

(b) subject to compliance with Section 10.6, by Sellers (acting together) or Purchasers, if (i) a statute, rule, regulation or executive order shall have been enacted, entered or promulgated prohibiting the consummation of the transactions contemplated hereby or (ii) an order, decree, ruling or injunction shall have been entered permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby, and such order, decree, ruling or injunction shall have become final and non-appealable and the Party seeking to terminate this Agreement pursuant to this Section 7.1(b)(ii) shall have used Reasonable Best Efforts to remove such order, decree, ruling or injunction.

(c) by Sellers (acting together) or Purchasers, by written notice, if the Closing Date shall not have occurred within one hundred eighty (180) days from the date hereof (the "Termination Date");

(d) by Purchasers, so long as Purchasers are not then in material breach of any of their representations, warranties, covenants or agreements hereunder, by written notice to Sellers, if there shall have been a material breach of any representation or warranty of Sellers, or a material breach of any covenant or agreement of Sellers hereunder, or if any representation or warranty of Sellers set forth in the Agreement shall have become untrue, in any such case such that the conditions set forth in Section 6.2(a) or Section 6.2(b) would not be satisfied as of such time, and such breach shall not have been remedied by the earlier of (i) the Termination Date and (ii) the date that is thirty (30) days after receipt by Sellers of notice in writing from Purchasers, specifying the nature of such breach and requesting that it be remedied;

(e) by Sellers (acting together), so long as Sellers and the Companies are not then in material breach of any of their representations, warranties, covenants or agreements hereunder, by written notice to Purchasers, if there shall have been a material breach of any representation or warranty, or a material breach of any covenant or agreement of Purchasers hereunder, or if any representation or warranty of Purchasers set forth in the Agreement shall have become untrue, in any such case such that the conditions set forth in Section 6.3(a) or Section 6.3(b) would not be satisfied as of such time, and such breach shall not have been remedied by the earlier of (i) the Termination Date and (ii) the date that is thirty (30) days after receipt by Purchasers of notice in writing from Sellers, specifying the nature of such breach and requesting that it be remedied;

(f) by Sellers if (i) all the conditions set forth in Sections 6.1 and 6.2 have been satisfied or irrevocably waived (other than those conditions that by their terms are to be satisfied at the Closing) and (ii) Purchasers do not effect the Closing within two (2) Business Days of the day the Closing is required to occur pursuant to Section 1.3;

(g) by Purchasers pursuant to Section 5.9 by written notice to Sellers in accordance with such Section 5.9;

(h) by Sellers (acting together) or Purchasers, pursuant to Section 5.21 by written notice to the other Parties in accordance with Section 5.21;

(i) by Sellers (acting together) or Purchasers, pursuant to Section 5.22 by written notice to the other Parties in accordance with Section 5.22; or

(j) by Sellers (acting together) as provided in Section 1.7.

7.2 Effect of Termination. No termination of this Agreement pursuant to Section 7.1 shall be effective until notice thereof is given to the non-terminating Parties specifying the provision hereof pursuant to which such termination is made. Subject to Section 1.7, if validly terminated pursuant to Section 7.1, this Agreement shall, subject to Section 8.1, become wholly void and of no further force and effect (except with respect to the obligations of the Parties contained in the Confidentiality Agreement, Section 1.7, Section 5.4(b), this Section 7.2 and Articles IX and X, which shall survive such termination) without liability to any Party or to any Affiliate, or their respective members or shareholders, directors, officers, employees, agents, advisors or Representatives, and following such termination no Party shall have any liability under this Agreement or relating to the transactions contemplated by this Agreement to any other Party; provided that subject to Section 1.7, no such termination shall relieve any Party from any liability for any breach of this Agreement or fraud. In the event of the termination of this Agreement as provided in Section 7.1, Purchasers shall comply with all of their obligations under the Confidentiality Agreement.

ARTICLE VIII

INDEMNIFICATION

8.1 Survival of Representations, Warranties and Covenants. The representations, warranties and covenants of the Parties hereto contained in this Agreement at the Closing, shall survive the Closing for the periods set forth in this Section 8.1, which the Parties expressly agree are contractual statutes of limitation:

(a) except as otherwise expressly set forth in Section 8.1(b), Section 8.1(c), Section 8.1(d) and Section 8.1(e), all of the representations and warranties set forth in this Agreement shall survive for eighteen (18) months after the Closing;

(b) the representations and warranties set forth in Section 2.1 (*Organization and Qualification*), Section 2.2 (*Authority*), Section 2.5 (*Company Capitalization; Right and Title to Shares*), Section 2.7 (*Brokers and Finders*), Section 3.1 (*Organization and Qualification*), Section 3.2 (*Authority*), Section 3.5 (*Capitalization*), Section 3.22 (*Brokers and Finders*), Section 4.1 (*Organization and Qualification*), Section 4.2 (*Authority*) and Section 4.9 (*Brokers and Finders*) (collectively, the “Designated Representations”) shall survive the Closing without time limit under this Agreement;

(c) the representations and warranties set forth in Section 3.9 (*Tax Matters*) shall survive the Closing until the expiration of the applicable statute of limitations; and

(d) the representations and warranties set forth in Section 3.16 (Environmental Matters) shall survive the Closing until the date that is three years after the Closing Date;

(e) the covenants and agreements (i) set forth in Section 5.14 (Tax Matters) shall survive the Closing until the expiration of the applicable statute of limitations; (ii) set forth in this Agreement to be performed solely at or prior to the Closing, shall survive for six (6) months after the Closing; and (iii) set forth in this Agreement to be performed after the Closing shall survive six (6) months after the performance thereof; or

(f) the indemnity obligations under Section 8.2(c) shall survive without time limit.

Notwithstanding the foregoing, any claim made within the applicable time periods set forth in this Section 8.1 with reasonable specificity by the Party seeking to be indemnified shall survive until such claim is finally resolved.

8.2 Indemnification by Sellers Generally. Subject to Section 8.4, from and after the Closing Date each Seller shall, jointly and severally with each other Seller, indemnify and hold harmless Purchasers and their respective Affiliates (including, after the Closing Date, the Companies) and their respective directors, officers, employees, successors, partners, members, counsel, accountants, financial advisors, consultants and assigns (each, a "Purchaser Indemnified Party") from and against all Losses imposed on or suffered or incurred by them in connection with, arising out of or resulting from or caused by:

(a) any breach or inaccuracy of any representation or warranty made by such Seller in this Agreement;

(b) any breach of any covenant or agreement of such Seller or, prior to the Closing, the Acquired Companies, under this Agreement; or

(c) the Restructuring Transactions or anything related thereto (including any action contemplated by or permitted by Section 5.12), the Saudi Arabia Acquired Company Country Segment, the Brazil Acquired Company Country Segment, Duke Energy International Espana Investments, SL, Duke Energy International Mexico Holding Company I, S. de R.L. de C.V. or Proyecto de Autoabastecimiento La Silla, S. de R.L. de C.V.

8.3 Indemnification by Purchasers. Subject to Section 8.4, from and after the Closing Date, Purchasers shall indemnify and hold harmless Sellers and their Affiliates and their respective directors, officers, employees, successors, partners, members, counsel, accountants, financial advisors, consultants and assigns (each, a "Seller Indemnified Party") from and against

all Losses imposed on, suffered or incurred by them in connection with, arising out of or resulting from or caused by (a) any breach or inaccuracy of any representation or warranty made by Purchasers in this Agreement or (b) any breach of any covenant or agreement of Purchasers or, after the Closing, the Acquired Companies, under this Agreement.

8.4 Limitations on Indemnification.

(a) No claim may be made or asserted nor may any Action be commenced pursuant to Sections 8.2 or 8.3 against any Party for breach of any representation, warranty or covenant contained herein, unless written notice of such claim or Action has been given by the Indemnified Party to the Indemnifying Party, describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim or Action, on or prior to the date on which the representation or warranty on which such claim or Action is based ceases to survive as set forth in Section 8.1.

(b) Notwithstanding anything to the contrary contained in this Agreement:

(i) other than with respect to any breach or inaccuracy of any Designated Representation, Sellers shall not be liable for any claim for indemnification pursuant to Section 8.2(a), unless and until the aggregate amount of indemnifiable Losses that may be recovered from Sellers pursuant to Section 8.2(a) equals or exceeds one percent (1%) of the Purchase Price (the "Deductible Amount"), at which point Sellers shall be liable for the amount of those Losses indemnifiable pursuant to Section 8.2(a) in excess of the Deductible Amount;

(ii) other than with respect to any breach or inaccuracy of any Designated Representation, no Losses may be claimed under Section 8.2(a) by any Indemnified Party, nor shall any Losses be reimbursable or included in calculating the aggregate indemnifiable Losses set forth in clause (i) of this Section 8.4(b), other than Losses in excess of one hundred thousand dollars (\$100,000) resulting from any single claim or aggregated claims arising out of related facts, events or circumstances; provided that, subject to this Section 8.4(b), after such amount is reached, all such Losses resulting from such single claim or aggregated claims arising out of related facts, events or circumstances may be claimed under Section 8.2(a) by an Indemnified Party;

(iii) except as otherwise provided in Section 8.4(b)(iv), the maximum amount of indemnifiable Losses that may be recovered from Sellers for any amounts due under Section 8.2(a) for breach or inaccuracy of any

representation or warranty in this Agreement (other than for any Designated Representations) shall be an amount equal to twelve and one-half percent (12.5%) of the Purchase Price (the “Cap”); provided, however, that any indemnification Losses with respect to the Designated Representations shall not be taken into account in determining whether the Cap has been exceeded;

(iv) notwithstanding anything to the contrary in this Agreement, and without limiting the forgoing (including the Cap), the maximum amount of indemnifiable Losses that may be recovered from Sellers for any amounts due under Section 5.14(i) or Section 8.2, except for amounts due under Section 8.2(c), shall be an amount equal to one hundred percent (100%) of the Purchase Price; and

(v) no Party shall have any Liability pursuant to Sections 8.2 or 8.3 for any special, indirect, consequential or punitive damages relating to a breach or alleged breach of this Agreement, provided, however, that any amounts payable to third parties pursuant to a Third Party Claim shall not be deemed special, indirect, consequential or punitive damages.

(c) All representations, warranties, covenants and agreements made by the Indemnifying Party in this Agreement, and the Indemnified Party’s right to indemnification with respect thereto, shall not be affected or deemed waived by any investigation made by or on behalf of the Indemnified Party (whether before, on or after the date of this Agreement or before, on or after the Closing Date), or knowledge obtained (or capable of being obtained) as a result of such investigation or otherwise; provided that, notwithstanding the foregoing, no Losses may be claimed under Section 8.2(a) by any Indemnified Party arising out of, or relating to, any inaccuracy or breach of the representation and warranty in Section 3.21(c), to the extent that Purchaser had Knowledge of such breach or inaccuracy as of the date hereof.

(d) The Materiality Scrape shall apply both for purposes of determining the amount of Losses subject to any indemnification claim under this Article VIII and for determining whether or not any breaches of any representations or warranties contained in this Agreement have occurred.

8.5 Notice of Loss; Third Party Claims. Except with respect to Tax Claims, which are governed by Section 5.14(e):

(a) Other than with respect to any Third Party Claim that is provided for in Section 8.5(b), an Indemnified Party shall give the Indemnifying Party notice of any matter that an Indemnified Party has determined has given rise to a right of indemnification under this Article VIII, as soon as practicable after such determination, stating the amount of the Losses, if

known, and method of computation thereof, and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed or arises; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VIII, except to the extent that the Indemnifying Party is materially prejudiced by such failure.

(b) If an Indemnified Party shall receive notice of any Action or claim, demand (each, a "Third Party Claim") against it that may give rise to a claim for Losses under this Article VIII, promptly after the receipt of such notice, the Indemnified Party shall give the Indemnifying Party notice of such Third Party Claim (a "Claim Notice"); provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VIII, except to the extent that the Indemnifying Party is materially prejudiced by such failure (and then only with respect to the extent of such actual and material prejudice). The Indemnifying Party shall be entitled, to the extent permitted by applicable Law, to assume and control the defense of such Third Party Claim at its expense and through counsel reasonably of its choice that is reasonably satisfactory to the Indemnified Party, in each case in accordance with the provisions of this Section 8.5, if it gives notice of its intention to do so to the Indemnified Party within thirty (30) days of its receipt of the Claim Notice.

(c) Notwithstanding the foregoing, if the actual or potential defendants in, or targets of, such Third Party Claim include both the Indemnifying Party and the Indemnified Party, and the Indemnified Party shall have reasonably concluded that there exists an actual conflict of interest between them (including one or more legal defenses available to the Indemnified Party which are not available to the Indemnifying Party) or is reasonably likely to develop during the pendency of the litigation that would make it inappropriate in the reasonable judgment of the Indemnified Party for the same counsel to represent both the Indemnified Party and the Indemnifying Party, then the Indemnified Party shall be entitled to retain one counsel (plus one local counsel, if necessary) reasonably acceptable to the Indemnifying Party, at the expense of the Indemnifying Party; provided, that the Indemnified Party and such counsel shall use diligent and good faith efforts in such defense.

(d) The Indemnified Party shall cooperate with the Indemnifying Party in the defense and settlement of any Third Party Claim and make available to the Indemnifying Party all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. Any settlement or compromise of such Third Party Claim by the Indemnifying Party to the extent permitted by applicable Law shall require the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided that no such consent shall be required as long as it is solely a monetary

settlement that provides a full release of the Indemnified Party with respect to such Third Party Claim and does not contain an admission of liability on the part of the Indemnified Party.

(e) If the Indemnifying Party does not assume control over the defense of such Third Party Claim as provided in Section 8.5(b), then the Indemnified Party shall have the right to defend such Third Party Claim and the Indemnifying Party shall be required to pay all reasonable costs and expenses incurred by the Indemnified Party in connection with such Third Party Claim; provided that the Indemnified Party shall use diligent and good faith efforts in its defense of such Third Party Claim and shall not settle such Third Party Claim without obtaining the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed. In such event, the Indemnifying Party shall cooperate with the Indemnified Party in the defense and settlement of any Third Party Claim and make available to the Indemnified Party all witnesses, pertinent records, materials and information in the Indemnifying Party's possession or under the Indemnifying Party's control relating thereto as is reasonably required by the Indemnified Party to the extent permitted by applicable Law. The Indemnified Party shall not pay, or permit to be paid, any part of such Third Party Claim unless the Indemnifying Party consents in writing to such payment, which consent shall not be unreasonably withheld, delayed or conditioned, or unless a final judgment from which no appeal may be taken by or on behalf of the Indemnifying Party has been entered against the Indemnified Party for such Third Party Claim.

8.6 Mitigation; Adjustments.

(a) Each Indemnified Party shall use its Reasonable Best Efforts to mitigate any Losses under this Article VIII; provided, however, that no Indemnified Party shall be required to (i) compromise or waive any right or accept any liability or other future obligation or burden in order to mitigate its damages, (ii) incur any material expense or take any action that would cause hardship, including impairing its ability to conduct its business, or (iii) act in any manner which it reasonably believes in good faith is adverse to its own best interests; provided, further, however, that in the event such action or inaction on the part of the Indemnified Party results in greater Losses that could have been reasonably avoided, such Indemnifying Party shall not be liable for such reasonably avoidable Losses. Notwithstanding that mitigation efforts may not have been commenced or completed, nothing contained herein shall limit an Indemnified Party from making a claim for indemnification under this Agreement or from receiving indemnification for Losses in respect of any claim. Purchasers shall, and shall cause the Acquired Companies to, reasonably cooperate with Sellers in recovering from any third parties (including with respect to enforcement of any Acquired Company's indemnification rights) any Loss paid by Sellers pursuant to this Article VIII.

(b) In calculating the amount of any Loss under this Article VIII, the proceeds actually received by the Indemnified Party or any of its Affiliates under any third-party insurance policy, or pursuant to any claim, recovery, settlement or payment by or against any other Person, net of any actual costs, expenses or premiums incurred in connection with securing or obtaining such proceeds, shall be deducted from such Loss or indemnification payment. In the event that an Indemnified Party has any rights against a third party with respect to any occurrence, claim or loss that results in a payment by an Indemnifying Party under this Article VIII, such Indemnifying Party shall be subrogated to such rights to the extent of such payment. Without limiting the generality or effect of any other provision hereof, each Indemnified Party and Indemnifying Party shall duly execute upon request all instruments reasonably necessary to evidence and perfect the subrogation rights detailed herein, and otherwise cooperate in the prosecution of such claims.

(c) The amount of any Damages incurred by the Indemnified Party shall (i) be reduced by the amount of any Tax benefits in connection with the incurrence of such Damages and (ii) be increased by the amount of Tax costs, if any, on the payment of, or in connection with the receipt of, the indemnity payment, in each case as actually realized by the Indemnified Party or any of its Affiliates.

(d) Purchasers and Sellers agree to treat, and to cause their respective Affiliates to treat, for all Tax purposes, any payment made under Section 5.14(i) and this Article VIII, to the maximum extent permitted by applicable Law, as an adjustment to the Purchase Price.

8.7 Remedy. Except for claims of intentional fraud in connection with this Agreement and as otherwise provided in Section 1.7 and Section 10.5 of this Agreement, (a) the remedies provided in Section 5.14(i) and this Article VIII shall be the exclusive remedies of the Parties hereto following the Closing for any Losses arising out of any breach or inaccuracy of the representations or warranties of the Parties contained in this Agreement, and (b) each of the Parties hereto hereby waives, to the fullest extent permitted by applicable Law, any and all rights, claims and causes of action it may have after the Closing against the other Parties hereto with respect to any breach or inaccuracy of the representations or warranties of the Parties contained in this Agreement, arising under or based upon any Law or Governmental Order, other than the right to seek indemnity pursuant to Section 5.14(i) and this Article VIII (except in the case of the Acquired Companies' directors, officers, employees, agents and representatives pursuant to Section 5.7).

8.8 Indemnification for Taxes. Notwithstanding anything contained in this Agreement to the contrary, indemnification for any and all Tax matters, and the procedures with respect thereto, will be governed exclusively by Section 5.14(i), and the provisions of this Article

VIII (except for Sections 8.1, 8.4(b)(iv), 8.6(c), 8.6(d) and this 8.8) will not apply in respect of Taxes.

ARTICLE IX

DEFINITIONS AND INTERPRETATION

9.1 Defined Terms. The following terms are defined in the corresponding Sections of this Agreement:

<u>Defined Term</u>	<u>Section Reference</u>
Accounting Firm	Section 5.14(j)
Adjustment Amount Statement	Section 1.6(a)
Affiliate Contracts	Section 3.19(a)
Agreement	Preamble
Agreement Parties	Section 10.17
Affiliate Contracts	Section 3.19(a)
Agreement	Preamble
Allocable Portion	Section 1.2
Alternative Financing	Section 5.11(d)
Available Financing	Section 5.19(a)
CBA	Section 3.17(a)
Claim Notice	Section 8.5(b)
Closing	Section 1.3
Closing Date	Section 1.3
Code	Section 3.12(b)
Commitment Letter	Section 4.6(a)
Companies	Preamble
Company	Preamble
Company Material Contracts	Section 3.15(a)
Company Plans	Section 3.12(a)
Company Required Consents	Section 3.3
Company Required Statutory Approvals	Section 3.4
Concession Real Property	Section 3.14(a)
Concessions	Section 3.14(c)
Condemnation Value	Section 5.22
Continuing Employees	Section 5.6(a)
Contracting Party	Section 3.15(a)
Debt Commitment Letter	Section 4.6(a)
Debt Financing	Section 4.6(a)
Deductible Amount	Section 8.4(b)(i)
DEI España	Preamble
DEI Uruguay	Preamble
DEIG	Preamble
DEII No. 2	Preamble
DEL IV	Preamble

Deposit LC	Section 1.7(a)
Designated Representations	Section 8.1(b)
Disclosure Schedules	Section 10.9
Dispute Notice	Section 1.6(c)
Duqueco	Section 5.27
Duqueco Indebtedness	Section 5.27
Environmental Permits	Section 3.16(a)
Equity Commitment Letter	Section 4.6(a)
Equity Financing	Section 4.6(a)
ERISA Affiliate	Section 3.12(a)
Estimated Adjustment Amount	Section 1.5(a)
Estimated Adjustment Amount Statement	Section 1.5(a)
Estimated Purchase Price	Section 1.2
Excluded Intellectual Property	Section 5.10(a)
Extended Closing Date	Section 6.3(f)
Financing Agreements	Section 5.11(a)
Financing	Section 4.6(a)
Financing Transaction	Section 5.20(a)
Intellectual Property	Section 3.18(b)
Intercompany Indebtedness	Section 3.19(b)
Interim Period	Section 5.1(a)
Leased Real Property	Section 3.14(a)
New Debt Commitment Letter	Section 5.11(d)
Non-Party Affiliates	Section 10.17
Owned Real Property	Section 3.14(a)
Party	Preamble
Purchase Agreement Deposit	Section 1.7
Purchase Price	Section 1.2
Purchase Price Allocation Statement	Section 5.14(j)
Purchaser 1	Preamble
Purchaser 2	Preamble
Purchaser 3	Preamble
Purchasers	Preamble
Purchaser Guaranty	Recitals
Purchaser Indemnified Party	Section 8.2
Purchaser Related Parties	Section 1.7(b)
Purchaser Representative	Section 10.2
Purchaser Required Consents	Section 4.3
Purchaser Required Statutory Approvals	Section 4.4
Relevant Countries	Recitals
Representatives	Section 5.4(a)
Restoration Cost	Section 5.21
Restructuring Transactions	Section 1.8(a)
Schedule Update	Section 5.9
Section 338(g) Election	Section 5.14(k)
Section 338(g) Forms	Section 5.14(k)

Section 338(g) Notice Documents	Section 5.14(k)
Section 409A	Section 3.12(b)
Seller Counsel	Section 10.7(a)
Seller Indemnified Party	Section 8.3
Seller Marks	Section 5.10(a)
Seller Related Parties	Section 1.7(d)
Seller Required Statutory Approvals	Section 2.4
Sellers	Preamble
Sellers Guaranty	Recitals
Tax Claim	Section 5.14(e)(i)
Tax Refund	Section 5.14(h)
Termination Date	Section 7.1(c)
Third Party Claim	Section 8.5(b)
Transaction	Section 1.1
Transition Services Agreement	Section 5.20
Violation	Section 2.3

9.2 Definitions. Except as otherwise expressly provided in this Agreement, or unless the context otherwise requires, whenever used in this Agreement (including the Schedules), the following terms will have the meanings indicated below:

(a) “Acquired Companies” means, collectively, the Companies, the Company Subsidiaries and the Project Companies and each, individually, an “Acquired Company.”

(b) “Acquired Company Country Segment” means the grouping of the Acquired Companies set forth in Schedule 9.2(1) of the Seller Disclosure Schedules.

(c) “Action” means any claim, action, suit, demand, complaint, notice of violation, audit, assessment, investigation of which the subject party has received written notice, legal proceeding, litigation or other proceeding, of any nature, in law or in equity, in each case, by or before any Governmental Entity, or any arbitration or mediation proceeding by or before any arbitrator or Governmental Entity.

(d) “Adjustment Amount” means an amount equal to the sum, which may be a positive or negative number, of (A) (i) the Net Working Capital as of the Closing, minus (ii) the Target Net Working Capital, the result of which may be a positive or negative number, and (B) (i) the Target Total Indebtedness, minus (ii) the Total Indebtedness as of Closing, the result of which may be a positive or negative number.

(e) “Affiliate” means, with respect to any Person or group of Persons, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person or group of Persons; provided that any Person (other than any Acquired Company) that owns Equity Interests in any Project Company shall be deemed not to be an Affiliate of any of the Acquired Companies. “Control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities or other Equity Interests, by contract or credit arrangement, as trustee or executor, or otherwise.

(f) “Basis Certificate Escrow Account” means the escrow account opened pursuant to the Basis Certificate Escrow Agreement.

(g) “Basis Certificate Escrow Agreement” means the escrow agreement to be executed, by and among Sellers, Purchasers, and the escrow agent thereunder, prior to the Closing, in a form to be reasonably mutually agreed upon by Purchasers and Sellers, whereby an escrow account will be opened in which the Estimated Purchase Price and/or the Post-Closing Payment will be deposited in the event the Tax Basis Certificates have not been obtained at least five (5) Business Days prior to the Closing Date. The Basis Certificate Escrow Agreement shall provide for the funds (and any earnings thereon) to be released to Sellers upon the earlier of (i) confirmation of the issuance of the Tax Basis Certificates or (ii) Sellers’ decision, in their sole discretion, not to obtain the Tax Basis Certificates.

(h) “Business Day” means a day other than a Saturday or Sunday or any other day on which banks are not required to be open or are authorized to close in New York, New York.

(i) “Company Material Adverse Effect” means any change, event, effect, fact, circumstance, matter or occurrence that, individually or in the aggregate with any other changes, events, effects, facts, circumstances, matters or occurrences have, or would reasonably be expected to have, any material adverse effect on (x) the businesses, assets, condition (financial or otherwise) or results of operations of the Acquired Companies, taken as a whole, or (y) the ability of Sellers to consummate the transactions contemplated by this Agreement or perform their obligations at and prior to the Closing; provided, however, that none of the following shall constitute or be taken into account in determining whether there has been or is a Company Material Adverse Effect: (i) any changes, events or developments in the international, national, regional, state or local economy or financial, securities or credit markets (including changes in prevailing interest rates); (ii) any changes, events or developments in the international, national, regional, state or local (A) industry in which an Acquired Company operates or (B) regulatory or political conditions; (iii) any changes, events or developments relating to “acts of war” (whether or not declared), armed hostilities or terrorism or relating to national security; (iv) any changes that result from natural disasters or “acts of God” or other “force majeure” events; (v) any changes in weather conditions, customer usage patterns or hydrology; (vi) any effects or conditions resulting from the public announcement of this Agreement, compliance with terms of this Agreement or the consummation of the transactions contemplated by this Agreement (including any actions taken by any Purchaser, any Seller or any of their respective Affiliates that are not in violation of this Agreement and that are taken to obtain any Required Statutory Approval); (vii) the effect of any action expressly required to be taken in accordance with this Agreement or consented to in writing by Purchaser; (viii) any changes in (A) any Law (including Environmental Laws and any interpretation or enforcement thereof by any Governmental Entity but excluding Tax Laws), regulatory policies or industry standards, or (B) accounting standards, principles or interpretations; (ix) any change in the financial condition or results of operation of an Acquired Company, including a reduction in the credit rating, to the extent attributable to any action of any Purchaser or its Affiliates or the transactions expressly contemplated by this Agreement; (x) any changes in the costs of commodities or supplies, including fuel, or changes in the price of electricity or (xi) the Restructuring Transactions; provided that in the case of the foregoing clauses (i) through (v), (viii) and (x) above, any such changes, events, effects, facts, circumstances, matters or occurrences (individually or taken together) may be taken into account in determining the occurrence of a “Company Material Adverse Effect” to the extent such changes, events, effects, facts, circumstances, matters or occurrences have a disproportionate effect on the Acquired

Companies, taken as a whole, relative to other Persons operating in the electricity generating, natural gas and electric power transmission industries.

(j) “Country Segment-Level Material Adverse Effect” means any change, event, effect, fact, circumstance, matter or occurrence that, individually or in the aggregate with any other changes, events, effects, facts, circumstances, matters or occurrences have, or would reasonably be expected to have, any material adverse effect on (x) the businesses, assets, condition (financial or otherwise) or results of operations of an Acquired Company Segment, taken as a whole, or (y) the ability of Sellers to consummate the transactions contemplated by this Agreement or perform their obligations prior to the Closing; provided, however, that none of the following shall constitute or be taken into account in determining whether there has been or is a Country Segment-Level Material Adverse Effect: (i) any changes, events or developments in the international, national, regional, state or local economy or financial, securities or credit markets (including changes in prevailing interest rates); (ii) any changes, events or developments in the international, national, regional, state or local (A) industry in which an Acquired Company operates or (B) regulatory or political conditions; (iii) any changes, events or developments relating to “acts of war” (whether or not declared), armed hostilities or terrorism or relating to national security; (iv) any changes that result from natural disasters or “acts of God” or other “force majeure” events; (v) any changes in weather conditions, customer usage patterns or hydrology; (vi) any effects or conditions resulting from the public announcement of this Agreement, compliance with terms of this Agreement or the consummation of the transactions contemplated by this Agreement (including any actions taken by any Purchaser, any Seller or any of their respective Affiliates that are not in violation of this Agreement and that are taken to obtain any Required Statutory Approval); (vii) the effect of any action expressly required to be taken in accordance with this Agreement or consented to in writing by Purchaser; (viii) any changes in (A) any Law (including Environmental Laws and any interpretation or enforcement thereof by any Governmental Entity but excluding Tax Laws), regulatory policies or industry standards, or (B) accounting standards, principles or interpretations; (ix) any change in the financial condition or results of operation of an Acquired Company, including a reduction in the credit rating, to the extent attributable to any action of any Purchaser or its Affiliates or the transactions expressly contemplated by this Agreement; (x) any changes in the costs of commodities or supplies, including fuel, or changes in the price of electricity; or (xi) the Restructuring Transactions; provided that in the case of the foregoing clauses (i) through (v), (viii) and (x) above, any such changes, events, effects, facts, circumstances, matters or occurrences (individually or taken together) may be taken into account in determining the occurrence of a “Company Material Adverse Effect” to the extent such changes, events, effects, facts, circumstances, matters or occurrences have a disproportionate effect on the Acquired Companies, taken as a whole, relative to other Persons operating in the electricity generating, natural gas and electric power transmission industries.

(k) “Company Shares” means (i) the DEIG Shares, (ii) the 3,003,006 shares of DEI España, par value EUR 1 per share and (iii) the 12,000 shares of DEII No. 2, par value USD 1 per share.

(l) “Company Subsidiary” means each of the Persons set forth in Schedule 3.5(a) of the Seller Disclosure Schedules.

(m) “Confidentiality Agreement” means the Confidentiality Agreement, dated April 4, 2016, between I Squared Capital Advisors (US) LLC and Parent.

(n) “Consent” means any consent, approval, authorization, order, filing, notice, registration, waiver, qualification or similar action of, by or with any Person.

(o) “Contract” means any legally binding contract, agreement, lease, license, instrument, commitment, evidence of Liabilities, mortgage, indenture, purchase order, legally binding bid or offer, letter of credit, security agreement or other similar arrangement, excluding any Permit.

(p) “Damages” means Liabilities, demands, claims, suits, actions, or causes of action, losses, costs, expenses, damages and judgments, amounts paid in settlement, fines, penalties, interest, whether or not resulting from third party claims (including reasonable fees and expenses of attorneys and accountants).

(q) “DEIG Shares” means the 20,000 shares of DEIG, par value USD 1 per share.

(r) “Environmental Law” means any foreign, federal, state or local Law relating to (i) the treatment, Release or threatened Release of Hazardous Substances or (ii) the preservation and protection of the environment (including natural resources, protected species and cultural resources, air and surface or subsurface land or waters).

(s) “Equity Interests” means shares of capital stock or other equity interests.

(t) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(u) “Escrow Financing Expenses” means all cash interest expenses (but not any commitment, ticking, upfront, original issue discount or other fees and expenses of Purchasers) accrued (whether payable or not but subject to the actual payment in cash thereof by Purchasers) under the Escrow Financing during the Escrow Financing Term.

(v) “Escrow Financing Term” shall mean the period commencing on the Escrow Funding Date and ending on (but not including) the Escrow Termination Date.

(w) “Escrow Funding Date” shall mean the date the Loans have been funded into escrow pursuant to an escrow agreement in accordance with Section 5.11(i).

(x) “Escrow Termination Date” shall mean the earliest of (i) the consummation of the Closing, (ii) the termination of this Agreement, (iii) any material breach of this Agreement by Purchasers or any breach by Purchasers or their Affiliates under the Debt Commitment Letter or any Financing Agreement, and (iv) the Termination Date.

(y) “Final Order” means a final order by the relevant regulatory authority, which has not been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which any waiting period prescribed by Law before the transactions contemplated hereby may be consummated has expired (but without the requirement for expiration of any applicable rehearing or appeal period), and as to which all conditions to the consummation of such transactions prescribed by Law, regulation or order have been satisfied.

(z) “GAAP” means generally accepted accounting principles as applied in the United States or in the Relevant Countries, as applicable.

(aa) “Good Utility Practice” means the practices, methods and acts engaged in or approved by a significant portion of the industry of the Acquired Companies during the relevant time period, or any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practices are not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather are intended to include practices, methods and acts generally accepted in the region.

(bb) “Governmental Entity” means any supranational, national, federal, state, municipal or local governmental or quasi-governmental (including non-governmental entities that exercise administrative or public duties by delegation according to applicable Law) or regulatory authority (including a national securities exchange or other self-regulatory body), agency, court, commission or other similar entity, domestic or foreign whether legislative, judicial or executive.

(cc) “Governmental Order” means any order (other than any Permit), decree, ruling, injunction, judgment or similar act of or by any Governmental Entity.

(dd) “Hazardous Substance” means any material, substance or waste (whether liquid, gaseous or solid) that (i) requires removal, investigation, remediation or reporting under any Environmental Law, or is listed, classified or regulated as a “hazardous waste” or “hazardous substance” (or other similar term) pursuant to any applicable Environmental Law or (ii) is regulated under applicable Environmental Laws as being toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, including any petroleum product or by-product, petroleum-derived substances wastes or breakdown products, asbestos or polychlorinated biphenyls.

(ee) “Indebtedness” means any of the following: (a) any indebtedness for borrowed money; (b) any obligations evidenced by bonds, debentures, notes or other similar instruments; (c) any obligations to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business; (d) any obligations as lessee under capitalized leases; (e) any obligations, contingent or otherwise, under bonds, acceptances, letters of credit or similar facilities in each case to the extent drawn; (f) any obligations that would properly be classified as indebtedness in accordance with GAAP; (g) any guaranty, pledge or grant of security interest in respect of any of the foregoing and (i) all accrued but unpaid interest on any of the foregoing (including, for these purposes, all accrued liabilities under any interest rate protection, commodity or currency hedge agreements, futures, swaps, collars, puts, calls, floors, caps, options or similar derivative products); provided, that to the extent that the settlement of all such obligations in clause (i) results in a net gain to the Acquired Companies, such net gain shall reduce Indebtedness; provided, further, however, that in no event will Indebtedness include (i) indebtedness incurred by any Acquired Company that is owed to another Acquired Company, or (ii) undrawn amounts under existing letters of credit, surety bonds, lines of credit and revolving credit facilities.

(ff) “Independent Accountants” means an internationally recognized firm of accountants appointed as mutually agreed by Purchaser Representative and Sellers (and which firm in any case does not serve as the independent auditor of Purchasers or Sellers); provided that if Purchasers and Sellers are unable to agree on an such firm, Seller shall propose two such firms and Purchaser Representative shall select one; provided that if Purchaser Representative does not provide notice of its selection within five (5) Business Days, Sellers shall be entitled to select one of the proposed firms to serve as Independent Accountants.

(gg) “Indemnified Party” means a Purchaser Indemnified Party or a Seller Indemnified Party, as the case may be.

(hh) “Indemnifying Party” means Sellers for the purpose of Section 8.2 and Purchasers for the purpose of Section 8.3, as the case may be.

(ii) “Investors” mean I Squared Capital.

(jj) “IRS” means the United States Internal Revenue Service.

(kk) “Knowledge” when used with respect to a Company, means the actual knowledge (after due inquiry of the individuals reporting directly to such individual with responsibility for the relevant subject matter area) of those officers of such Company or its Affiliates set forth in Schedule 9.2(2)(a) of the Seller Disclosure Schedules; when used with respect to a Seller, means the actual knowledge (after due inquiry of the individuals reporting directly to such individual with responsibility for the relevant subject matter area) of those officers of such Seller, any Acquired Company or any of their Affiliates set forth in Schedule 9.2(2)(b) of the Seller Disclosure Schedules; and when used with respect to Purchasers, means the actual knowledge (after due inquiry of the individuals reporting directly to such individual with responsibility for the relevant subject matter area) of those officers of Purchasers or their Affiliates set forth in Schedule 9.2(2)(c) of the Purchaser Disclosure Schedules.

(ll) “Law” means any law, statute, ordinance, regulation, other pronouncement having the effect of recognized, binding law, or rule of or by any Governmental Entity or any arbitrator.

(mm) “Liabilities” means any and all known liabilities or indebtedness of any nature (whether direct or indirect, absolute or contingent, liquidated or unliquidated, due or to become due, accrued or unaccrued, matured or unmatured, asserted or unasserted, determined or determinable and whenever or however arising).

(nn) “Lien” means any lien, claim, security interest, mortgage, charge, option, restrictive covenant, easement, purchase right, hypothecation, encumbrance or other adverse claim.

(uu) “Losses” means any losses, damages, claims, fees, fines, costs and expenses, interest, awards, settlements, Liabilities, recourses, judgments and penalties (including reasonable attorneys’ fees and costs of collection and other expenses incurred in investigation, preparing or defending the foregoing).

(oo) “Material Lease” means, collectively, the Contracts set forth on Schedule 3.14(a)(i) of the Seller Disclosure Schedules.

(pp) “Materiality Scrape” means, with respect to any representation or warranty that includes any qualification, exception or limitation that uses the term “Material Adverse Effect”, “material adverse effect”, “material”, “materially” or “in all material respects”, that none of those qualifications, exceptions or limitations is given any effect and the

representation or warranty will be interpreted as if those terms were not included; provided that, for the avoidance of doubt, the Materiality Scrape does not apply to: (i) the phrase “in all material respects” with respect to the fair presentation of any financial statement prepared in accordance with GAAP; (ii) any defined term (including “Company Material Adverse Effect”, “Country Segment-Level Material Adverse Effect”, “Purchaser Material Adverse Effect”, “Company Material Contract” or “Material Lease”) and any reference in any defined term to “Material Adverse Effect”, “material adverse effect”, “material”, “materially” or “in all material respects”; or (iii) any term or provision of this Agreement that is not a representation or warranty, including any covenant, agreement, condition or rule of construction.

(qq) “Net Working Capital” means (without duplication) the amount (expressed as a positive or negative number) equal to (i) the total current assets of the Acquired Companies on a combined basis, minus (ii) the total current liabilities of the Acquired Companies on a combined basis, in each case (A) excluding Taxes, including both current and deferred Tax assets and both current and deferred Tax liabilities, (B) adjusted for the relevant ownership of each Acquired Company by the Companies, (C) measured as of the time immediately prior to the consummation of, and without giving effect to, the transactions contemplated hereby and (D) determined in accordance with the methodology used in the preparation of Schedule 9.2(3) of the Seller Disclosure Schedules, and otherwise in accordance with GAAP; provided that to the extent that there is any conflict between the provisions of this definition, the application of GAAP, and Schedule 9.2(3) of the Seller Disclosure Schedules, the provisions of this definition shall control.

(rr) “Non-Company Affiliate” means any Affiliate of any Seller, except for any of the Acquired Companies.

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

(tt) “OFAC Sanctions” means any sanctions program administered by OFAC.

(uu) “OFAC Sanctioned Person” means any government, country, entity, group or individual with whom or which the OFAC Sanctions prohibit a U.S. Person from engaging in transactions and includes any entity, group or individual that appears on the SDN List.

(vv) “Operating Contract” means any Contract (i) providing for the purchase, sale, supply, transportation or transmission of electric power, gas, coal, oil or other fuel and (ii) any Contract for the operation and maintenance of any assets of any of the Project Companies.

(ww) “Organizational Documents” means, with respect to any corporation, its articles or certificate of incorporation, memorandum or articles of association and by-laws or documents of similar substance; with respect to any limited liability company, its articles or certificate of organization, formation or association and its operating agreement or limited liability company agreement or documents of similar substance; with respect to any limited partnership, its certificate of limited partnership and partnership agreement or documents of similar substance; and with respect to any other entity, documents of similar substance to any of the foregoing.

(xx) “Parent” means Duke Energy Corporation, a Delaware corporation and an Affiliate of Sellers.

(yy) “Permits” means all permits, licenses, franchises, registrations, variances, authorizations, Consents, orders, certificates and approvals obtained from or otherwise made available by any Governmental Entity or pursuant to any Law.

(zz) “Permitted Liens” means (i) Liens for Taxes (A) not yet due and payable, (B) being contested in good faith or (C) for which reserves have been established in accordance with GAAP, (ii) Liens of warehousemen, mechanics and materialmen and other similar statutory Liens incurred in the ordinary course of business consistent with past practice that are (I) not delinquent or (II) that are being contested in good faith by appropriate proceedings or for which reserves have been established in accordance with GAAP, (iii) any Liens that do not materially detract from the value of any of the applicable property, rights or assets of the businesses or materially interfere with the use thereof as currently used, (iv) zoning, entitlement, conservation, restriction or other land use or environmental regulation imposed by any Governmental Entity to regulate or affecting the assets of any Acquired Company, (v) restrictions on transfer of the Equity Interests of any Acquired Company Lien arising under (A) the Organizational Documents of each Acquired Company or (B) any shareholders or similar agreement to which any Acquired Company is a party or by which it is bound.

(aaa) “Person” means any natural person, firm, partnership, association, corporation, company, joint venture, trust, business trust, Governmental Entity or other entity.

(bbb) “Post-Closing Payment” means an amount (positive or negative) equal to the Estimated Adjustment Amount minus the actual Adjustment Amount.

(ccc) “Post-Closing Tax Period” means any taxable year or period that begins after the Closing Date and, with respect to any Straddle Period, the portion of such Straddle Period beginning on the day after the Closing Date.

(ddd) “Pre-Closing Tax Period” means any Tax period ending on or before the Closing Date.

(eee) “Project Company” means each of the Persons set forth in Schedule 3.5(b).

(fff) “Purchaser Assignment” means the Assignment substantially in the form of Exhibit D.

(ggg) “Purchaser Disclosure Schedules” means the disclosure schedules delivered by Purchasers to Sellers on the date of this Agreement.

(hhh) “Purchaser Guarantor” means ISQ Global Infrastructure Fund L.P. (Cayman), a Cayman Islands exempted limited partnership.

(iii) “Purchaser Material Adverse Effect” means, with respect to a Purchaser, any material adverse effect on the ability of such Purchaser or Purchaser Guarantor to consummate the transactions contemplated by this Agreement or perform its obligations hereunder or under the Purchaser Guaranty, as the case may be.

(jjj) “Real Property” means the Owned Real Property, the Leased Real Property and the Concession Real Property.

(kkk) “Reasonable Best Efforts” means the efforts, time and costs a prudent Person desirous of achieving a result would use, expend or incur in similar circumstances to achieve such results as expeditiously as possible, provided that such Person is not required to expend funds or assume liabilities beyond those that are reasonable in nature and amount in the context of the Transaction (provided that, for the avoidance of doubt, when “Reasonable Best Efforts” is used in relation to obtaining the Financing, it is agreed that Purchasers shall pay all amounts that are required under the Commitment Letters, the Financing Agreements and agree to the full extent of the “Flex” terms necessary to obtaining the Financing).

(lll) “Release” means the release, spill, emission, leaking, pumping, pouring, emptying, escaping, dumping, injection, deposit, disposal, discharge, dispersal, leaching or migrating of any Hazardous Substance on, into, under or through the environment.

(mmm) “Relevant Material Contract Amount” means the amount set forth in Schedule 9.2(4) of the Seller Disclosure Schedules.

(nnn) “Relevant Aggregate Interim Period Amount” means the aggregate amount set forth in Schedule 9.2(5) of the Seller Disclosure Schedules.

(ooo) “Relevant Interim Period Amount” means the individual amount set forth in Schedule 9.2(6) of the Seller Disclosure Schedules.

(ppp) “Required Statutory Approvals” means the Seller Required Statutory Approvals, Company Required Statutory Approvals and Purchaser Required Statutory Approvals, to the extent relating to filings, waivers, approvals, consents, authorizations and notices required to be made with, obtained from or provided to a Governmental Entity prior to the Closing.

(qqq) “Seller Material Adverse Effect” means, with respect to a Seller, any material adverse effect on the ability of such Seller to consummate the transactions contemplated by this Agreement or perform its obligations hereunder.

(rrr) “Seller Disclosure Schedules” means the disclosure schedules delivered by Sellers to Purchasers on the date of this Agreement.

(sss) “Sellers Guarantor” means Duke Energy Corporation, a Delaware corporation.

(ttt) “Sellers’ Share of Escrow Financing Expenses” shall mean, (i) during the period commencing on the Escrow Funding Date through the earlier to occur of (A) the Escrow Termination Date and (B) the date that is 89 days after the Escrow Funding Date, fifty percent (50%) of the Escrow Financing Expenses during such period; provided, however, that, with respect to each thirty day period thereof, Sellers’ Share of Escrow Financing Expenses shall not exceed \$625,000 in the aggregate (such amount to be prorated for any such period that is less than 30 days), and (ii), with respect to the period commencing on the date that is 90 days after the date the Escrow Funding Date (if the Escrow Termination Date has not occurred prior to such date, through the earlier to occur of (A) the Escrow Termination Date and (B) the date that is 179 days after the date the Escrow Funding Date, one-hundred percent (100%) of the Escrow Financing Expenses; provided, however, that, with respect to each thirty day period thereof, Sellers’ Share of Escrow Financing Expenses shall not exceed \$1.25 million in the aggregate (such amount to be prorated for any such period that is less than 30 days)

(uuu) “Straddle Period” means any Tax period that begins on or before the Closing Date and ends after the Closing Date.

(vvv) “Subsidiary” means, with respect to any Person (for the purposes of this definition, the “parent”), any other Person (other than a natural person), whether incorporated or unincorporated, of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is directly or indirectly owned or controlled by the

parent or by one or more of its respective Subsidiaries or by the parent and any one or more of its respective Subsidiaries.

(www) “Target Net Working Capital” means an amount equal to \$78,800,000.

(xxx) “Target Total Indebtedness” means an amount equal to \$336,135,000.

(yyy) “Tax” or “Taxes” means any and all taxes, including any interest, penalties or other additions to tax, that may become payable in respect thereof, imposed by any Governmental Entity, which taxes shall include all income taxes, profits taxes, taxes on gains, alternative minimum taxes, estimated taxes, payroll taxes, employee withholding taxes, unemployment insurance taxes, social security taxes, welfare taxes, disability taxes, severance taxes, license charges, taxes on stock, sales taxes, harmonized sales taxes, use taxes, ad valorem taxes, value added taxes, excise taxes, goods and services taxes, franchise taxes, gross receipts taxes, occupation taxes, real or personal property taxes, land transfer taxes, stamp taxes, environmental taxes, transfer taxes, workers’ compensation taxes, windfall taxes, net worth taxes, custom and import/export taxes and duties and other taxes of the same or of a similar nature to any of the foregoing.

(zzz) “Tax Basis Certificates” means the certificates to be obtained by the Sellers from the Peruvian Taxing Authority by which said authority acknowledges DEIG’s Tax basis in the shares of each Peruvian Acquired Company, including any certificates deemed implicitly granted by the Peruvian Taxing Authority in accordance with applicable Peruvian Tax Laws.

(aaaa) “Taxing Authority” means the IRS and any other domestic or foreign Governmental Entity responsible for the administration or collection of any Taxes, including any national, federal, state and local Governmental Entity with such responsibility.

(bbbb) “Tax Returns” means all tax returns, declarations, statements, reports, schedules, forms and information returns and any amendments to any of the foregoing relating to Taxes.

(cccc) “Total Indebtedness” means (without duplication) the amount (expressed as a positive number) equal to the sum of (i) all obligations for borrowed money of the Acquired Companies on a combined basis, (ii) any other obligations owed by an Acquired Company under any credit agreement or facility, or evidenced by any note, bond, debenture or other debt security or instrument made or issued by such Acquired Company, (iii) all obligations for the deferred purchase price of property or services with respect to which an Acquired

Company is liable (but shall not include any purchase order commitments, any accounts payable, accruals for expenses and other similar obligations), (iv) all capitalized lease obligations of an Acquired Company to the extent classified as such in accordance with GAAP and (v) all interest, premium and prepayment penalties due and payable in respect of any of the foregoing, in each case (A) measured as of the time immediately prior to the consummation of, and without giving effect to, the transactions contemplated hereby (but only if and to the extent the foregoing are retained by the Acquired Companies immediately following the Closing), (B) determined in accordance with the methodology used in the preparation of Schedule 9.2(7) of the Seller Disclosure Schedules, and otherwise in accordance with GAAP, (C) adjusted for the relevant ownership of each Acquired Company by the Companies and (D) excluding any items taken into account in the definition of Net Working Capital; provided that to the extent that there is any conflict between the provisions of this definition, the application of GAAP and Schedule 9.2(7) of the Seller Disclosure Schedules, the provisions of this definition shall control.

(dddd) “Transfer Taxes” means any and all transfer Taxes (excluding Taxes measured in whole or in part by income or gain and excluding the Peruvian ITF tax (“Impuesto a las Transacciones Financieras”)), including sales, use, value added, excise, goods and services, stock, conveyance, registration, business and occupation, securities transactions, real estate transfer, land, stamp, documentary, notarial, filing, recording, permit, license, authorization and similar Taxes and fees.

(eeee) “Virtual Data Room” means the virtual data room containing documents and information relating to, among other things, the Acquired Companies and their respective businesses and the Company Shares, made available by the Companies in electronic form to Purchasers.

9.3 Interpretation. In this Agreement, unless otherwise specified, the following rules of interpretation apply:

- (a) references to Sections, Schedules, Annexes, Exhibits and Parties are references to sections or sub-sections, schedules, annexes and exhibits of, and parties to, this Agreement;
- (b) the section and other headings contained in this Agreement are for reference purposes only and do not affect the meaning or interpretation of this Agreement;
- (c) words importing the singular include the plural and vice versa;
- (d) references to the word “including” do not imply any limitation;

(e) the words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement; and

(f) references to “\$” or “dollars” refer to United States dollars.

ARTICLE X

GENERAL PROVISIONS

10.1 Notices. All notices, requests and other communications to any Party hereunder shall be in writing (including electronic facsimile transmission) and shall be given by delivery in person, by an internationally recognized overnight courier service, by facsimile or certified mail (postage prepaid, return receipt requested) or by email, receipt confirmed via reply of the intended recipient (other than an automatically generated response or confirmation) (with a confirmation copy to be given by delivery in person or internationally recognized courier service or certified mail) to such Party at the following addresses (or at such other address or electronic facsimile number for a Party as shall be specified in a notice given in accordance with this Section 10.1):

(a) if to Purchasers or, after the Closing, to the Companies, to:

I Squared Capital Advisors (US) LLC
410 Park Avenue #830,
New York, NY 10022
Attention: General Counsel
Facsimile No.: (212) 339-5390

Email: generalcounsel@isquaredcapital.com

with a copy to:

Chadbourne & Parke LLP
1301 Avenue of the Americas New York, NY 10019
Attention: Marwan Azzi
Facsimile No.: (212) 541-5369

Email: MAzzi@chadbourne.com

(b) if to Sellers or, prior to the Closing, to the Companies, to:

Duke Energy Brazil Holdings II C.V. OR Duke Energy International Uruguay Investments SRL OR Duke Energy International Group S.a.r.l. OR Duke Energy International España Holdings SL OR Duke Energy International Investments No. 2 Ltd
c/o Duke Energy Corporation
550 South Tryon Street, DEC-45A
Charlotte, NC 28202
Attention: Greer Mendelow, Deputy General Counsel
Facsimile No.: 980-373-9962

Email: Greer.Mendelow@duke-energy.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, DC 20005
Attention: Pankaj K. Sinha, Esq.
Facsimile No.: 202-661-8238

Email: Pankaj.Sinha@skadden.com

or to such other address or addresses as the Parties may from time to time designate in writing.

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and if such day is a Business Day. Otherwise, any such notice, request or other communication shall be deemed not to have been received until the next succeeding Business Day.

10.2 Amendments and Waivers; Actions by Purchasers. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Party to this Agreement, or in the case of a waiver, by the Party against whom the waiver is to be effective. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. No failure or delay by any Party in exercising any right hereunder 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. Each Purchaser hereby appoints Enerlam (UK) Holdings Ltd. as its representative for all purposes under this Agreement; provided that the Purchasers may from time to time appoint another Purchaser to act in that capacity by giving written notice to Sellers (sign by all the Purchasers) and if any such notice is given the Purchaser designated in that notice will thereafter be the representative of the Purchasers for all purposes of this Agreement (the "Purchaser Representative"). Sellers and the Companies shall be entitled to rely on the actions of any Purchaser Representative as representative of all Purchasers for all purposes herein.

10.3 Assignment; Binding Effect. Purchasers may assign, without the prior written consent of the Sellers, (i) this Agreement, including all rights, interests and obligations of Purchasers hereunder, (x) pursuant to the Purchaser Assignment and (y) to one or more of Purchasers' respective Affiliates as designated by Purchasers, and (ii) its rights to indemnification under this Agreement to Purchasers' lenders, Affiliates, financing sources or collateral agents or trustees for any financing source, successors in interest and, in the case of the transfer by Purchasers of all or substantially all of the assets or shares of an Acquired Company, the Purchasers' rights to indemnification under this Agreement solely in respect of such transferred shares or assets; provided,

that, in each case, such assignment shall not (i) release any Purchaser from its obligations hereunder (except as provided in the Purchaser Assignment) or (ii) impede or delay the Closing or the consummation of the transactions contemplated by this Agreement. Except as provided in the preceding sentence or in connection with the Restructuring Transactions contemplated by Section 5.12, this Agreement may not be assigned by a Party by operation of Law or otherwise without the express written consent of the other Party, and any attempt to assign this Agreement without such consent shall be void and of no effect. Subject to this Section 10.3, this Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respective successors and assigns.

10.4 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York, without regard to the conflict of laws rules thereof.

(b) All actions or proceedings arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement shall be heard and determined exclusively in any federal court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such action or proceeding, such action or proceeding shall be heard and determined exclusively in any state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding sentence, the Parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or New York state court sitting in the Borough of Manhattan of The City of New York for the purpose of any action or proceeding arising out of or relating to this Agreement brought by any Party, (ii) irrevocably waive, and agree not to assert by way of motion, defense or otherwise, in any such action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action or proceeding is brought in an inconvenient forum, that the venue of the action or proceeding is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts and (iii) irrevocably consent to and grant any such court exclusive jurisdiction over the Person of such Parties and over the subject matter of such action or proceeding and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 10.1 or in such other manner as may be permitted by applicable Law shall be valid and sufficient service thereof.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF,

UNDER OR IN CONNECTION WITH (i) THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR (ii) ANY FINANCING WHETHER NOW EXISTING OR HEREAFTER PROVIDED OR COMMITTED TO BE PROVIDED. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS CONTAINED IN THIS SECTION 10.4(c).

10.5 Specific Performance. The Parties recognize and agree that if for any reason any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or damage would be caused for which money damages would not be an adequate remedy. Accordingly, each Party agrees that, except as otherwise provided in Section 1.7, in addition to any other available remedies, each Party shall be entitled to seek to enforce specifically the terms and provisions of this Agreement or to seek an injunction restraining any breach or violation or threatened breach or violation of any of the provisions of this Agreement without the necessity of posting a bond or other form of security. In the event that any action or proceeding should be brought in equity to enforce the provisions of this Agreement, no Party shall allege, and each Party hereby waives the defense, that there is an adequate remedy at Law, except as otherwise provided in Section 1.7. Except as otherwise provided in Section 1.7, the Parties further agree that (i) by seeking any remedy provided for in this Section 10.5, a Party shall not in any respect waive its right to seek any other form of relief that may be available to such party under this Agreement and (ii) nothing contained in this Section 10.5 shall require any Party to institute any action for (or limit such Party's right to institute any action for) specific performance under this Section 10.5 before exercising any other right under this Agreement.

10.6 Failure to Obtain Certain Required Statutory Approvals.

Notwithstanding anything to the contrary contained in this Agreement, if the Required Statutory Approvals set forth on Schedule 6.1(a) of the Seller Disclosure Schedules have not been obtained but all other Required Statutory Approvals have been obtained, the Closing shall promptly occur in accordance with Section 1.3, and, after the Closing, Purchasers shall be solely responsible for (a) pursuing and obtaining the outstanding Required Statutory Approvals set forth on Schedule 6.1(a) of the Seller Disclosure Schedules and (b) complying with the results and conditions thereof without any recourse to Sellers (including without any claim or right to indemnification under Section 5.14(i) or Section 8.2); provided that Sellers shall have caused the relevant

Acquired Company to file an application to obtain the Required Statutory Approvals set forth on Schedule 6.1(a) of the Seller Disclosure Schedules with the relevant Governmental Entity within a reasonable time frame from the date hereof.

10.7 Waiver.

(a) It is acknowledged by the Parties that Sellers and the Companies have used or retained the counsel set forth in Schedule 10.7 of the Seller Disclosure Schedules to act as their counsel in connection with the transactions contemplated by this Agreement (“Seller Counsels”) and that Seller Counsels have not acted as counsel for any other Person in connection with the transactions contemplated by this Agreement for conflict of interest or any other purposes. Purchasers and the Companies agree that any attorney-client privilege and the expectation of client confidence attaching as a result of Seller Counsels’ representation of Sellers and the Companies related to the preparation for, and negotiation and consummation of, the transactions contemplated by this Agreement, including all communications among Seller Counsels and Sellers, the Acquired Companies and/or their respective Affiliates in preparation for, and negotiation and consummation of, the transactions contemplated by this Agreement, shall survive the Closing and shall remain in effect. Furthermore, effective as of the Closing, (i) all communications (and materials relating thereto) between the Acquired Companies, on the one hand, and Seller Counsels or any other legal counsel or financial advisor, on the other hand, related to the preparation for, and negotiation and consummation of, the transactions contemplated by this Agreement are hereby assigned and transferred to Sellers, (ii) the Acquired Companies hereby release all of their rights and interests to and in such communications and related materials and (iii) the Acquired Companies hereby release any right to assert or waive any privilege related to the communications referenced in this Section 10.7.

(b) Purchasers and the Companies agree that, notwithstanding any current or prior representation of the Acquired Companies by Seller Counsels, Seller Counsels shall be allowed to represent Sellers or any of their Affiliates in any matters and disputes adverse to any Purchaser and/or the Acquired Companies that either is existing on the date hereof or arises in the future and relates to this Agreement and the transactions contemplated hereby; and Purchasers and the Acquired Companies hereby waive any conflicts or claim of privilege that may arise in connection with such representation. Further, Purchasers and the Companies agree that, in the event that a dispute arises after the Closing between any Purchaser or the Companies and Sellers or any of their Affiliates, Seller Counsels may represent Sellers or their Affiliates in such dispute even though the interests of Sellers or their Affiliates may be directly adverse to any Purchaser or the Acquired Companies and even though Seller Counsels may have represented the Acquired Companies in a matter substantially related to such dispute.

(c) Each Purchaser acknowledges that any advice given to or communication with Sellers or any of their Affiliates (other than the Acquired Companies) shall not be subject to any joint privilege and shall be owned solely by Sellers or their Affiliates. Purchasers and the Companies each hereby acknowledge that each of them has had the opportunity to discuss and obtain adequate information concerning the significance and material risks of, and reasonable available alternatives to, the waivers, permissions and other provisions of this Agreement, including the opportunity to consult with counsel other than Seller Counsels.

10.8 Entire Agreement; Severability.

(a) This Agreement, the Disclosure Schedules, the Sellers Guaranty, the Purchaser Guaranty and the Confidentiality Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both oral and written, between the Parties with respect to the subject matter hereof and thereof.

(b) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all of the other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order for the transactions contemplated by this Agreement to be consummated as originally contemplated to the greatest extent possible.

10.9 Disclosure Schedules. There may be included in the Seller Disclosure Schedules or the Purchaser Disclosure Schedules (collectively, the “Disclosure Schedules”) items and information, the disclosure of which is not required either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more representations or warranties contained in Article II, Article III or Article IV or to one or more covenants contained in Article V. Inclusion of any items or information in the Disclosure Schedules shall not be deemed to be an acknowledgment or agreement that any such item or information (or any non-disclosed item or information of comparable or greater significance) is “material” or is reasonably likely to result in a Company Material Adverse Effect or to affect the interpretation of such term for purposes of this Agreement. The Disclosure Schedules set forth items of disclosure with specific reference to the particular Section and/or subsection of this Agreement to which the items or information in such Disclosure Schedules relates; provided, however, that any information set forth in one section or subsection pertaining to the representations, warranties and covenants of the Seller Disclosure Schedules or the Purchaser

Disclosure Schedules, as the case may be, shall be deemed to apply to each other section or subsection thereof pertaining to representations, warranties and covenants to the extent that it is reasonably apparent that it is relevant to such other sections or subsections of the Seller Disclosure Schedules or the Purchaser Disclosure Schedules, as the case may be.

10.10 No Third Party Beneficiaries. Except as otherwise expressly provided in this Agreement (including in Section 1.7, Section 5.7, Section 8.2, Section 8.3, Section 8.4, Section 10.16 and Section 10.17), this Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person other than Sellers, Purchasers and their respective successors and permitted assigns, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

10.11 Payments.

(a) In the event that this Agreement or any of the transactions contemplated by this Agreement provides for a payment to Sellers, then the party making such payment shall pay to each Seller an amount equal to such Seller's Allocable Portion of such payment.

(b) In the event that this Agreement or any of the transactions contemplated by this Agreement provides for a payment by Sellers, then each Seller shall pay to the party receiving such payment an amount equal to such Seller's Allocable Portion of such payment.

(c) Notwithstanding the foregoing, in the event that this Agreement or any of the transactions contemplated by this Agreement provides for a payment that is only applicable to a certain Company or certain Companies, any such payment shall only be made to or by the Seller(s) holding the Company Shares in such Company.

(d) All amounts owed by Purchasers to Sellers, or by Sellers to Purchasers, under this Agreement any of the transactions contemplated by this Agreement that are not paid when due shall be paid together with interest thereon at an annual rate equal to four percent (4%), from the date it is due until, and including, the date of payment.

10.12 Expenses. Except as otherwise set forth in this Agreement, all costs and expenses (including fees and expenses of counsel and financial advisors) incurred in connection with this Agreement or the transactions contemplated hereby shall be paid by the Party incurring such costs or expenses, whether or not the Closing shall have occurred, except that costs incurred by the Acquired Companies in connection with all filing and court fees shall be shared one-half by Sellers and one-half by Purchasers. Sellers will reimburse Purchasers for the Sellers' Share

of Escrow Financing Expenses payable under Section 5.11(i), to the extent not paid directly by Sellers, promptly, and in any event within twenty (20) Business Days after Purchaser Representative delivers to Sellers a reasonably detailed invoice showing the aggregate amount of the Escrow Financing Expenses incurred, which invoices may be delivered not more often than once every thirty (30) calendar days. All payments of Sellers of the Sellers' Share of Escrow Expenses Sellers to Purchasers under this Agreement will be made by wire transfers of immediately available United States dollars to such bank or other accounts in the United States as the Purchaser Representative may from time to time designate in a written notice delivered to Sellers not less than five (5) Business Days prior to the date any such payment is required to be made.

10.13 Currency. All amounts payable to or by any Party under this Agreement shall be paid in United States dollars, unless otherwise expressly specified. All amounts set forth in this Agreement are denominated in United States dollars unless otherwise expressly specified. In the event any conversion between United States dollars and another currency is required in connection with this Agreement for any reason, such conversion shall be done at the exchange rate in effect on the date of any such determination based on the average of the exchange rates for such conversion published in The Wall Street Journal on each of the five (5) Business Days preceding such date of determination or such other day on which this Agreement or the Disclosure Schedules specify such conversion is to be calculated. If The Wall Street Journal is not published on the Business Day in question, then the exchange rate published in The New York Times on such Business Day shall be used or, if neither The Wall Street Journal nor The New York Times is published on such Business Day, then the exchange rate quoted on such Business Day, or quoted on the nearest Business Day preceding such Business Day, by Citibank, N.A. (or its successor) in New York City, New York, shall be used.

10.14 Counterparts. This Agreement may be executed and delivered (including by facsimile or other electronic transmission) in one or more counterparts, and each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. The facsimile or other electronic transmission of any signed original counterpart of this Agreement shall be deemed to be the delivery of an original counterpart of this Agreement.

10.15 Acknowledgment. DEIG hereby acknowledges the sale and purchase of the Company Shares of DEIG under the terms and conditions of this Agreement for the purposes of article 190 of the Luxembourg law on commercial companies dated 10 August 1915, as amended, and of article 1690 of the Luxembourg civil code.

10.16 Financing Related Agreements. Notwithstanding anything to the contrary contained herein, each Seller agrees on behalf of itself and its Affiliates that none of the

financing sources shall have any liability or obligation to the Sellers or any Affiliates of any of the Sellers relating to this Agreement, any related documentation or any of the transactions contemplated herein or therein (including any Debt Financing). This Section 10.16 is intended to benefit and may be enforced by any financing source and shall be binding on all successors and assigns of the Seller.

10.17 Non-Recourse. All claims or causes of action (whether in Contract or in tort, in Law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out of or by reason of, be connected with, or related in any manner to this Agreement and the Transaction may be made only against (and are expressly limited to) the Persons that are expressly identified as Parties hereto (the "Agreement Parties"). No Person who is not an Agreement Party, including any director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, attorney or representative of, and any financing source for, or financial advisor or lender to, any of the foregoing ("Non-Party Affiliates"), shall have any liability (whether in Contract or in tort, in Law or in equity, or granted by statute or based upon any theory that seeks to impose liability of an entity party against its owners or Affiliates) for any claims, causes of action, obligations or liabilities arising under, out of, in connection with or related in any manner to this Agreement or the Transaction or based on, in respect of, or by reason of this Agreement or the Transaction or their negotiation, execution performance or breach; and, to the maximum extent permitted by Law, each Agreement Party waives and releases all such liabilities, claims and obligations against any such Non-Party Affiliates. Without limiting the foregoing, to the maximum extent permitted by Law, (a) each Agreement Party hereby waives and releases any and all rights, claims, demands, or causes of action that may otherwise be available at Law or in equity, or granted by statute, to avoid or disregard the entity form of an Agreement Party or otherwise impose liability of an Agreement Party on any Non-Party Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization or otherwise; and (b) each Agreement Party disclaims any reliance upon any Non-Party Affiliates with respect to the performance of this Agreement or the Transaction or any representation or warranty made in, in connection with or as an inducement to this Agreement or the Transaction. The parties acknowledge and agree that the Non-Party Affiliates are intended third-party beneficiaries of this Section 10.17.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first above written.

**DUKE ENERGY LUXEMBOURG IV, S.A.R.L., ACTING IN ITS
CAPACITY AS GENERAL PARTNER FOR AND ON BEHALF
OF DUKE ENERGY BRAZIL HOLDINGS II, C.V.**

By: /s/ Kris C. Duffy

Name: Kris C. Duffy

Title: Authorized Signatory

By: /s/ Xavier De Cillia

Name: Xavier De Cillia

Title: Authorized Signatory

**DUKE ENERGY INTERNATIONAL URUGUAY
INVESTMENTS SRL**

By: /s/ Armando De Azevedo Henriques

Name: Armando De Azevedo Henriques

Title: Authorized Signatory

DUKE ENERGY INTERNATIONAL GROUP S.A.R.L.

By: /s/ Kris C. Duffy

Name: Kris C. Duffy

Title: Authorized Signatory

By: /s/ Xavier De Cillia

Name: Xavier De Cillia

Title: Authorized Signatory

DUKE ENERGY INTERNATIONAL ESPAÑA HOLDINGS SL

By: /s/ Armando De Azevedo Henriques

Name: Armando De Azevedo Henriques

Title: Authorized Signatory

DUKE ENERGY INTERNATIONAL INVESTMENTS NO. 2 LTD.

By: /s/ Armando De Azevedo Henriques

Name: Armando De Azevedo Henriques

Title: Authorized Signatory

ISQ ENERLAM AGGREGATOR, L.P.

By: /s/ Adil Rahmathulia

Name: Adil Rahmathulia

Title: Authorized Signatory

ENERLAM (UK) HOLDINGS LTD.

By: /s/ Thomas Lefebvre

Name: Thomas Lefebvre

Title: Authorized Signatory

**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 4, 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



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.

On November 4, 2016, Duke Energy Corporation issued a news release announcing its financial results for the third quarter ended September 30, 2016. A copy of this news release is attached hereto as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to this Item 2.02.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

99.1 News Release issued by Duke Energy Corporation on November 4, 2016

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

/s/ WILLIAM E. CURRENS JR.

William E. Currens Jr.

Senior Vice President, Chief Accounting Officer and Controller

Dated: November 4, 2016

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	News Release issued by Duke Energy Corporation on November 4, 2016

News Release



Media Contact: Catherine Butler
24-Hour: 800.559.3853

Analysts: Mike Callahan
Office: 704.382.0459

Nov. 4, 2016

Duke Energy reports third quarter 2016 financial results

- **Third quarter 2016 GAAP reported diluted earnings per share (EPS) were \$1.70 compared to \$1.35 for the third quarter of 2015**
- **Adjusted diluted EPS of \$1.68 for third quarter 2016, compared to \$1.47 for the third quarter of 2015**
- **Company trending toward the high end of its original 2016 adjusted diluted earnings guidance range of \$4.50 to \$4.70 per share, excluding costs associated with Hurricane Matthew**

CHARLOTTE, N.C. - Duke Energy today announced third quarter 2016 reported diluted EPS, prepared in accordance with Generally Accepted Accounting Principles (GAAP) of \$1.70, compared to \$1.35 for third quarter 2015. Third quarter 2016 adjusted diluted EPS was \$1.68, compared to \$1.47 for third quarter 2015.

GAAP reported diluted EPS includes the impact of special items, which are excluded from adjusted diluted EPS. Special items during the third quarter of 2016 include favorable tax adjustments on previously disposed businesses, charges related to costs to achieve mergers and cost savings initiatives, and an impairment of certain wind projects within commercial renewables.

Third quarter adjusted diluted EPS was higher than the prior year driven by warm summer weather throughout Duke Energy's service territories, higher retail volumes and rider revenues, and ongoing cost management efforts.

Based upon strong results through the third quarter, and the early closing of Piedmont Natural Gas, the company is trending toward the high end of its original 2016 adjusted diluted earnings guidance range of \$4.50 to \$4.70 per share, excluding fourth-quarter costs associated with Hurricane Matthew.

"We delivered strong financial results again this quarter underpinned by solid operational performance and reached pivotal milestones in transitioning our business portfolio," said Lynn Good, Duke Energy chairman, president and CEO. "The recent closing of our Piedmont Natural Gas acquisition, complemented by the announced sale of our international business, advances our portfolio transition and positions us as a premier regulated energy company."

Business segment results

In addition to the quarterly business segment discussion below, a comprehensive table of quarterly and year-to-date earnings per share drivers compared to the prior year is provided on pages 14 and 15.

The discussion below of the third-quarter results includes both GAAP segment income and adjusted segment income, which is a non-GAAP financial measure. The tables on pages 23 through 26 present a detail of special items and a reconciliation of GAAP reported results to adjusted results.

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 in this release have been recast to conform to this change.

Regulated Utilities

On a reported basis, Regulated Utilities recognized third quarter 2016 segment income of \$1,200 million, compared to \$905 million in the third quarter of 2015. In addition to the drivers outlined below, quarterly results were impacted by a \$56 million after-tax impairment charge in the prior year related to the September 2015 Edwardsport settlement. This charge was treated as a special item and therefore excluded from adjusted earnings.

On an adjusted basis, Regulated Utilities recognized third quarter 2016 adjusted segment income of \$1,200 million, compared to \$965 million in the third quarter 2015, an increase of \$0.34 per share.

Higher quarterly results at Regulated Utilities were primarily driven by:

- Favorable weather (+\$0.14 per share) driven by warmer temperatures across all Duke Energy service territories
- Lower effective tax rate (+\$0.08 per share) due to prior year income tax adjustments
- Higher rider revenues (+\$0.05 per share) primarily related to energy efficiency and grid investment riders at Duke Energy Progress and Duke Energy Ohio, respectively
- Increased weather-normal retail customer volumes (+\$0.04 per share)
- Lower O&M expenses (+\$0.02 per share), primarily as a result of ongoing cost savings initiatives, despite higher storm costs (-\$0.02 per share)

Commercial Portfolio

On a reported basis, Commercial Portfolio recognized a third quarter 2016 segment loss of \$21 million, compared to segment income of \$8 million in the third quarter of 2015. In addition to the drivers outlined below, quarterly results were impacted by a \$45 million after-tax impairment charge in the current year associated with equity method investments in certain

wind projects. This charge was treated as a special item and therefore excluded from adjusted earnings.

On an adjusted basis, Commercial Portfolio recognized third quarter 2016 adjusted segment income of \$24 million, compared to \$7 million in the third quarter 2015, an increase of \$0.02 per share.

Higher quarterly results at Commercial Portfolio were primarily driven by additional wind and solar plants placed in service and improved wind resources.

International Energy

International Energy recognized third quarter 2016 reported and adjusted segment income of \$64 million, compared to \$69 million in the third quarter 2015, a decrease of \$0.01 per share.

Other

Other primarily includes corporate interest expense not allocated to the business units, results from Duke Energy's captive insurance company, and other investments.

On a reported basis, Other recognized third quarter 2016 net expense of \$189 million, compared to net expense of \$45 million in the third quarter of 2015. In addition to the drivers outlined below, quarterly results were impacted by \$37 million of higher costs to achieve mergers and \$12 million of charges in the current year related to cost savings initiatives, both net of tax. These charges were treated as special items and therefore excluded from adjusted earnings.

On an adjusted basis, Other recognized third quarter 2016 adjusted net expense of \$125 million, compared to adjusted net expense of \$30 million in the third quarter 2015, a decrease of \$0.14 per share. The increased net expense was primarily driven by a higher effective tax rate (-\$0.13 per share) due to prior year income tax benefits and an unfavorable audit settlement in the current year.

The consolidated reported effective tax rate for third quarter 2016 was 32.9 percent, compared to 30.9 percent in the third quarter of 2015. The consolidated adjusted effective tax rate for third quarter 2016 was 33.5 percent, compared to 31.6 percent in the third quarter of 2015. Adjusted effective tax rate is a non-GAAP financial measure. The tables on pages 27 and 28 present a reconciliation of GAAP reported effective tax rate to adjusted effective tax rate.

Discontinued Operations

In the third quarter, Duke Energy recognized an income tax benefit of \$122 million within Discontinued Operations due to deferred tax liability adjustments related to the Midwest Generation Disposal Group and another previously sold business.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled for 10 a.m. ET today to discuss Duke Energy's financial performance for the quarter and other business and financial updates.

The conference call will be hosted by Lynn Good, chairman, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors' section (<http://www.duke-energy.com/investors/>) of Duke Energy's website or by dialing 877-741-4253 in the United States or 719-325-4802 outside the United States. The confirmation code is 4938179. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until 1 p.m. ET, Nov. 14, 2016, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code 4938179. A replay and transcript also will be available by accessing the investors' section of the company's website.

Special Items and Non-GAAP Reconciliation

The following table presents a reconciliation of GAAP reported to adjusted diluted EPS for quarterly results in 2016 and 2015:

(In millions, except per-share amounts)	After-Tax Amount	3Q 2016 EPS	3Q 2015 EPS
Diluted EPS, as reported		\$ 1.70	\$ 1.35
Adjustments to reported EPS:			
Third Quarter 2016			
Costs to achieve, mergers	\$ 52	0.07	
Cost saving initiatives	12	0.02	
Commercial Renewables impairment	45	0.07	
Discontinued operations	(122)	(0.18)	
Third Quarter 2015			
Costs to achieve, Progress merger	15		0.02
Edwardsport Settlement	56		0.08
Ash Basin Settlement	4		0.01
Discontinued operations	5		0.01
Total adjustments		\$ (0.02)	\$ 0.12
Diluted EPS, as adjusted		\$ 1.68	\$ 1.47

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.

Duke Energy is one of the largest electric power holding companies in the United States. Its regulated utility operations serve approximately 7.4 million electric customers located in six states in the Southeast and Midwest, representing a population of approximately 24 million people. The company also distributes natural gas to more than 1.5 million customers in the Carolinas, Ohio, Kentucky and Tennessee. Its Commercial Portfolio and International business segments own and operate diverse power generation assets in North America and Latin America, including a growing portfolio of renewable energy assets in the United States.

Headquartered in Charlotte, N.C., Duke Energy is an S&P 100 Stock Index company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available at duke-energy.com.

The [Duke Energy News Center](#) serves as a multimedia resource for journalists and features news releases, helpful links, photos and videos. Hosted by Duke Energy, [illumination](#) is an online destination for stories about remarkable people, innovations, and community and environmental topics. It also offers glimpses into the past and insights into the future of energy.

Follow Duke Energy on [Twitter](#), [LinkedIn](#), [Instagram](#) and [Facebook](#).

Forward-Looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: state, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements or climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; the extent and timing of costs and liabilities to comply with federal and state regulations related to coal ash, including amounts for the

required closure of certain ash impoundments, are uncertain and difficult to estimate; the ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through the regulatory process; the costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; credit ratings of the company or its subsidiaries may be different from what is expected; costs and effects of legal and administrative proceedings, settlements, investigations and claims; industrial, commercial and residential growth or decline in service territories or customer bases resulting from variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, including self-generation and distributed generation technologies; advancements in technology; additional competition in electric markets and continued industry consolidation; political, economic and regulatory uncertainty in Brazil and other countries in which Duke Energy conducts business; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes; the ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; the ability to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; operational interruptions to our gas distribution and transmission activities; the impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, and other catastrophic events such as fires, explosions, pandemic health events or other similar occurrences; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; the results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations and general economic conditions; declines in the market prices of equity and fixed income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans, and nuclear decommissioning trust funds; construction and development risks associated with the completion of Duke Energy and its subsidiaries' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner or at all; changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; the ability to control operation and maintenance costs; the level of creditworthiness of counterparties to transactions; employee workforce factors, including the potential inability to attract and retain key personnel; the ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; the effect of accounting

Duke Energy News Release 2

pronouncements issued periodically by accounting standard-setting bodies; the impact of potential goodwill impairments; the ability to successfully complete future merger, acquisition or divestiture plans, including the proposed sale of International Energy, excluding the equity investment in National Methanol Company; and the ability to successfully integrate the natural gas businesses since the acquisition of Piedmont Natural Gas Company, Inc. and realize anticipated benefits and the risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect.

Additional risks and uncertainties are identified and discussed in Duke Energy's and its subsidiaries' reports filed with the SEC and available at the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made; Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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September 2016
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions, except per-share amounts and where noted)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Earnings Per Share - Basic and Diluted				
Income from continuing operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ 1.52	\$ 1.36	\$ 3.27	\$ 3.31
Diluted	\$ 1.52	\$ 1.36	\$ 3.26	\$ 3.31
Income (Loss) from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ 0.18	\$ (0.01)	\$ 0.18	\$ 0.05
Diluted	\$ 0.16	\$ (0.01)	\$ 0.18	\$ 0.05
Net income attributable to Duke Energy Corporation common stockholders				
Basic	\$ 1.70	\$ 1.35	\$ 3.45	\$ 3.36
Diluted	\$ 1.70	\$ 1.35	\$ 3.44	\$ 3.36
Weighted average shares outstanding				
Basic	689	688	689	696
Diluted	691	688	690	696
SEGMENT INCOME (LOSS) BY BUSINESS SEGMENT				
Regulated Utilities ^(a)	\$ 1,200	\$ 905	\$ 2,613	\$ 2,311
International Energy ^(b)	64	69	85	157
Commercial Portfolio ^{(c)(d)}	(21)	8	20	(15)
Total Reportable Segment Income	<u>1,243</u>	<u>982</u>	<u>2,718</u>	<u>2,453</u>
Other Net Expense ^{(e)(f)(g)}	(189)	(45)	(463)	(139)
Intercompany Eliminations	—	—	—	(4)
Income (Loss) from Discontinued Operations, net of tax ^{(h)(i)}	<u>122</u>	<u>(5)</u>	<u>124</u>	<u>29</u>
Net Income Attributable to Duke Energy Corporation	<u>\$ 1,176</u>	<u>\$ 932</u>	<u>\$ 2,379</u>	<u>\$ 2,339</u>
CAPITALIZATION				
Total Common Equity (%)			45%	48%
Total Debt (%)			55%	52%
Total Debt			\$ 50,176	\$ 42,457
Book Value Per Share			\$ 58.85	\$ 57.92
Actual Shares Outstanding			689	688
CAPITAL AND INVESTMENT EXPENDITURES				
Regulated Utilities ^(j)	\$ 1,674	\$ 2,539	\$ 4,687	\$ 5,212
International Energy	11	14	26	33
Commercial Portfolio	192	374	614	757
Other	44	52	123	166
Total Capital and Investment Expenditures	<u>\$ 1,921</u>	<u>\$ 2,979</u>	<u>\$ 5,450</u>	<u>\$ 6,168</u>

Note: Certain prior period amounts have been reclassified to conform to the current year presentation.

(a) Includes a charge of \$56 million (net of tax of \$34 million) related to the Edwardsport settlement for the three and nine months ended September 30, 2015.

(b) Includes an impairment charge of \$145 million (net of tax of \$49 million) for the nine months ended September 30, 2016, related to certain assets in Central America, as well as a tax benefit of \$36 million resulting from the ability to more efficiently utilize foreign tax credits.

(c) Includes an impairment charge of \$45 million (net of tax of \$26 million) for the three and nine months ended September 30, 2016, related to certain equity investments in wind projects.

(d) Includes a tax charge of \$41 million for the nine months ended September 30, 2015, resulting from the completion of the sale of the nonregulated Midwest generation business.

(e) Includes costs to achieve mergers of \$52 million for the three months ended September 30, 2016 (net of tax of \$32 million), and \$195 million for the nine months ended September 30, 2016 (net of tax of \$120 million). These costs primarily consist of losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

(f) Includes costs to achieve Progress merger of \$15 million for the three months ended September 30, 2015 (net of tax of \$9 million), and \$42 million for the nine months ended September 30, 2015 (net of tax of \$25 million).

(g) Includes a charge of \$12 million for the three months ended September 30, 2016 (net of tax of \$7 million) and \$39 million for the nine months ended September 30, 2016 (net of tax of \$24 million), primarily consisting of severance expense related to cost savings initiatives.

(h) Includes an income tax benefit of \$122 million for the three and nine months ended September 30, 2016, resulting from deferred tax liability adjustments related to the Midwest Generation Disposal Group and another previously sold business.

(i) Includes the impact of a litigation reserve related to the nonregulated Midwest generation business of \$53 million for the nine months ended September 30, 2015 (net of tax of \$28 million).

(j) Includes \$1.25 billion related to the NCEMPA acquisition for the three and nine months ended September 30, 2015.

September 2016
QUARTERLY HIGHLIGHTS
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
<i>(In millions, except for GWh and MW amounts)</i>	2016	2015	2016	2015
REGULATED UTILITIES				
Operating Revenues	\$ 6,430	\$ 6,147	\$ 16,788	\$ 17,090
Operating Expenses	4,385	4,481	12,124	12,789
Gains on Sales of Other Assets and Other, net	1	1	3	10
Operating Income	2,046	1,667	4,667	4,311
Other Income and Expenses	75	56	213	187
Interest Expense	293	280	848	829
Income Before Income Taxes	1,828	1,443	4,032	3,669
Income Tax Expense	628	538	1,419	1,358
Segment Income	\$ 1,200	\$ 905	\$ 2,613	\$ 2,311
Depreciation and Amortization	\$ 749	\$ 691	\$ 2,198	\$ 2,096
INTERNATIONAL ENERGY				
Operating Revenues	\$ 245	\$ 281	\$ 761	\$ 841
Operating Expenses	177	200	713	639
Loss on Sales of Other Assets and Other, net	(1)	—	(2)	(1)
Operating Income	67	81	46	201
Other Income and Expenses	23	24	62	69
Interest Expense	19	21	63	66
Income Before Income Taxes	71	84	45	204
Income Tax Expense (Benefit)	4	14	(48)	44
Less: Income Attributable to Noncontrolling Interests	3	1	8	3
Segment Income	\$ 64	\$ 69	\$ 85	\$ 157
Depreciation and Amortization	\$ 18	\$ 23	\$ 62	\$ 69
Sales, GWh	5,017	4,590	16,522	13,580
Proportional MW Capacity in Operation			4,315	4,333
COMMERCIAL PORTFOLIO				
Operating Revenues	\$ 140	\$ 66	\$ 366	\$ 214
Operating Expenses	141	82	373	255
Gains on Sales of Other Assets and Other, net	1	—	3	6
Operating Loss	—	(16)	(4)	(35)
Other Income and Expenses	(69)	(3)	(63)	(3)
Interest Expense	15	11	38	33
Loss Before Income Taxes	(84)	(30)	(105)	(71)
Income Tax Benefit	(62)	(37)	(123)	(55)
Less: Loss Attributable to Noncontrolling Interests	(1)	(1)	(2)	(1)
Segment (Loss) Income	\$ (21)	\$ 8	\$ 20	\$ (15)
Depreciation and Amortization	\$ 33	\$ 27	\$ 96	\$ 77
Actual Renewable Plant Production, GWh	1,801	1,230	5,619	3,913
Net Proportional MW Capacity in Operation			2,725	1,634
OTHER				
Operating Revenues	\$ 32	\$ 17	\$ 91	\$ 78
Operating Expenses	128	64	316	177
Gains on Sales of Other Assets and Other, net	5	3	16	16
Operating Loss	(91)	(44)	(209)	(83)
Other Income and Expenses	12	(2)	30	8
Interest Expense	157	91	553	285
Loss Before Income Taxes	(236)	(137)	(732)	(360)

Income Tax Benefit	(50)	(95)	(276)	(229)
Less: Income Attributable to Noncontrolling Interests	<u>3</u>	<u>3</u>	<u>7</u>	<u>8</u>
Other Net Expense	<u>\$ (189)</u>	<u>\$ (45)</u>	<u>\$ (463)</u>	<u>\$ (139)</u>
Depreciation and Amortization	<u>\$ 37</u>	<u>\$ 33</u>	<u>\$ 108</u>	<u>\$ 99</u>

Note: Certain prior period amounts have been reclassified to conform to the current year presentation.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except per-share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Operating Revenues				
Regulated electric	\$ 6,303	\$ 6,017	\$ 16,321	\$ 16,564
Nonregulated electric and other	429	377	1,251	1,157
Regulated natural gas	89	89	355	416
Total operating revenues	6,821	6,483	17,927	18,137
Operating Expenses				
Fuel used in electric generation and purchased power - regulated	2,016	2,113	5,102	5,775
Fuel used in electric generation and purchased power - nonregulated	75	61	215	283
Cost of natural gas	17	21	98	158
Operation, maintenance and other	1,547	1,426	4,467	4,274
Depreciation and amortization	837	774	2,464	2,341
Property and other taxes	303	293	893	836
Impairment charges	10	111	208	111
Total operating expenses	4,805	4,799	13,447	13,778
Gains on Sales of Other Assets and Other, net	6	4	20	31
Operating Income	2,022	1,688	4,500	4,390
Other Income and Expenses				
Equity in earnings (losses) of unconsolidated affiliates	(60)	17	(37)	53
Other income and expenses, net	99	57	270	203
Total other income and expenses	39	74	233	256
Interest Expense	482	402	1,493	1,208
Income From Continuing Operations Before Income Taxes	1,579	1,360	3,240	3,438
Income Tax Expense from Continuing Operations	520	420	972	1,118
Income From Continuing Operations	1,059	940	2,268	2,320
Income (Loss) From Discontinued Operations, net of tax	122	(5)	124	29
Net Income	1,181	935	2,392	2,349
Less: Net Income Attributable to Noncontrolling Interests	5	3	13	10
Net Income Attributable to Duke Energy Corporation	\$ 1,176	\$ 932	\$ 2,379	\$ 2,339

Earnings Per Share - Basic and Diluted

Income from continuing operations attributable to Duke Energy Corporation common stockholders

Basic	\$ 1.52	\$ 1.36	\$ 3.27	\$ 3.31
Diluted	\$ 1.52	\$ 1.36	\$ 3.26	\$ 3.31

Income (Loss) from discontinued operations attributable to Duke Energy Corporation common stockholders

Basic	\$ 0.18	\$ (0.01)	\$ 0.18	\$ 0.05
Diluted	\$ 0.18	\$ (0.01)	\$ 0.18	\$ 0.05

Net income attributable to Duke Energy Corporation common stockholders

Basic	\$ 1.70	\$ 1.35	\$ 3.45	\$ 3.36
Diluted	\$ 1.70	\$ 1.35	\$ 3.44	\$ 3.36

Weighted average shares outstanding

Basic	689	688	689	696
Diluted	691	688	690	696

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in millions)</i>	September 30, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 6,179	\$ 857
Receivables (net of allowance for doubtful accounts of \$25 at 2016 and \$18 at 2015)	583	703
Receivables of VIEs (net of allowance for doubtful accounts of \$54 at 2016 and \$53 at 2015)	2,139	1,748
Inventory	3,351	3,810
Regulatory assets (includes \$51 related to VIEs at 2016)	853	877
Other	429	327
Total current assets	13,534	8,322
Investments and Other Assets		
Investments in equity method unconsolidated affiliates	604	499
Nuclear decommissioning trust funds	6,112	5,825
Goodwill	16,354	16,343
Other	2,948	3,042
Total investments and other assets	26,018	25,709
Property, Plant and Equipment		
Cost	116,376	112,826
Accumulated depreciation and amortization	(38,812)	(37,665)
Generation facilities to be retired, net	652	548
Net property, plant and equipment	78,216	75,709
Regulatory Assets and Deferred Debits		
Regulatory assets (includes \$1,156 related to VIEs at 2016)	11,896	11,373
Other	22	43
Total regulatory assets and deferred debits	11,918	11,416
Total Assets	\$ 129,686	\$ 121,156
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 2,138	\$ 2,400
Notes payable and commercial paper	3,011	3,633
Taxes accrued	636	348
Interest accrued	504	430
Current maturities of long-term debt (includes \$258 at 2016 and \$125 at 2015 related to VIEs)	3,201	2,074
Asset retirement obligations	539	—
Regulatory liabilities	319	400
Other	1,728	2,115
Total current liabilities	12,076	11,400
Long-Term Debt (includes \$3,641 at 2016 and \$2,197 at 2015 related to VIEs)	43,964	37,495
Deferred Credits and Other Liabilities		
Deferred income taxes	13,201	12,705
Investment tax credits	486	472
Accrued pension and other post-retirement benefit costs	1,030	1,088
Asset retirement obligations	10,291	10,264
Regulatory liabilities	6,241	6,255
Other	1,851	1,706
Total deferred credits and other liabilities	33,100	32,490
Commitments and Contingencies		
Equity		
Common stock, \$0.001 par value, 2 billion shares authorized; 689 million and 688 million shares outstanding at 2016 and 2015, respectively	1	1
Additional paid-in capital	37,997	37,968
Retained earnings	3,212	2,564

Accumulated other comprehensive loss	(721)	(806)
Total Duke Energy Corporation stockholders' equity	40,489	39,727
Noncontrolling interests	57	44
Total equity	40,546	39,771
Total Liabilities and Equity	\$ 129,686	\$ 121,156

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Nine Months Ended September 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 2,392	\$ 2,349
Adjustments to reconcile net income to net cash provided by operating activities	3,200	3,047
Net cash provided by operating activities	5,592	5,396
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(5,555)	(3,291)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by (used in) financing activities	5,285	(2,771)
Net increase (decrease) in cash and cash equivalents	5,322	(666)
Cash and cash equivalents at the beginning of period	857	2,036
Cash and cash equivalents at end of period	\$ 6,179	\$ 1,370

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
September 2016 QTD vs. Prior Year

(\$ per share)	Regulated Utilities	International Energy	Commercial Portfolio	Other	Discontinued Operations	Consolidated
2015 QTD Reported Earnings Per Share, Diluted	\$ 1.31	\$ 0.10	\$ 0.01	\$ (0.06)	\$ (0.01)	\$ 1.35
Costs to Achieve, Progress Merger	—	—	—	0.02	—	0.02
Edwardsport Settlement	0.08	—	—	—	—	0.08
Ash Basin Settlement	0.01	—	—	—	—	0.01
Discontinued Operations	—	—	—	—	0.01	0.01
2015 QTD Adjusted Earnings Per Share, Diluted	\$ 1.40	\$ 0.10	\$ 0.01	\$ (0.04)	\$ —	\$ 1.47
Weather	0.14	—	—	—	—	0.14
Pricing and Riders (a)	0.05	—	—	—	—	0.05
Volume	0.04	—	—	—	—	0.04
Wholesale (b)	0.03	—	—	—	—	0.03
Operations and Maintenance, net of recoverables	0.02	—	—	—	—	0.02
Latin America, including Foreign Exchange Rates	—	—	—	—	—	—
National Methanol Company	—	(0.01)	—	—	—	(0.01)
Duke Energy Renewables (c)	—	—	0.02	—	—	0.02
Commercial Transmission, Pipeline and Other	—	—	—	—	—	—
Interest Expense	(0.01)	—	—	(0.01)	—	(0.02)
Change in effective income tax rate	0.08	0.01	—	(0.13)	—	(0.04)
Other	(0.01)	(0.01)	—	—	—	(0.02)
2016 QTD Adjusted Earnings Per Share, Diluted	\$ 1.74	\$ 0.09	\$ 0.03	\$ (0.18)	\$ —	\$ 1.68
Costs to Achieve, Mergers	—	—	—	(0.07)	—	(0.07)
Cost Savings Initiatives	—	—	—	(0.02)	—	(0.02)
Commercial Renewables Impairment	—	—	(0.07)	—	—	(0.07)
Discontinued Operations	—	—	—	—	0.18	0.18
2016 QTD Reported Earnings Per Share, Diluted	\$ 1.74	\$ 0.09	\$ (0.04)	\$ (0.27)	\$ 0.18	\$ 1.70

Note 1: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all variance drivers except Duke Energy Renewables, which uses an effective tax rate.

Note 2: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

Note 3: Certain prior period amounts have been reclassified to conform to the current year presentation.

- (a) Primarily due to the NCEMPA rider (+\$0.02) and higher energy efficiency recoveries at Duke Energy Progress (+\$0.01).
- (b) Primarily due to the implementation of new contracts.
- (c) Primarily due to new wind and solar growth and higher wind production.

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
September 2016 YTD vs. Prior Year

(\$ per share)	Regulated Utilities	International Energy	Commercial Portfolio	Other	Discontinued Operations	Consolidated
2015 YTD Reported Earnings Per Share, Diluted	\$ 3.32	\$ 0.22	\$ (0.03)	\$ (0.19)	\$ 0.04	\$ 3.36
Costs to Achieve, Progress Merger	—	—	—	0.05	—	0.05
Edwardsport Settlement	0.08	—	—	—	—	0.08
Midwest Generation Operations	—	—	0.14	—	—	0.14
Ash Basin Settlement	0.01	—	—	—	—	0.01
Discontinued Operations	—	—	0.06	—	(0.04)	0.02
2015 YTD Adjusted Earnings Per Share, Diluted	\$ 3.41	\$ 0.22	\$ 0.17	\$ (0.14)	\$ —	\$ 3.66
Stock repurchase (a)	0.03	0.01	—	—	—	0.04
Weather	0.03	—	—	—	—	0.03
Pricing and Riders (b)	0.16	—	—	—	—	0.16
Volume	0.04	—	—	—	—	0.04
Wholesale (c)	0.07	—	—	—	—	0.07
Operations and Maintenance, net of recoverables (d)	0.06	—	—	—	—	0.06
Latin America, including Foreign Exchange Rates (e)	—	0.05	—	—	—	0.05
National Methanol Company	—	(0.05)	—	—	—	(0.05)
Duke Energy Renewables (f)	—	—	0.03	—	—	0.03
Commercial Transmission, Pipeline and Other	—	—	0.01	—	—	0.01
Midwest Generation (g)	—	—	(0.12)	—	—	(0.12)
Interest Expense	(0.01)	—	—	(0.03)	—	(0.04)
Change in effective income tax rate (h)	0.10	0.10	—	(0.14)	—	0.06
Other (i)	(0.10)	—	—	(0.02)	—	(0.12)
2016 YTD Adjusted Earnings Per Share, Diluted	\$ 3.79	\$ 0.33	\$ 0.09	\$ (0.33)	\$ —	\$ 3.88
Costs to Achieve, Mergers	—	—	—	(0.28)	—	(0.28)
International Impairment	—	(0.21)	—	—	—	(0.21)
Cost Savings Initiatives	—	—	—	(0.06)	—	(0.06)
Commercial Renewables Impairment	—	—	(0.07)	—	—	(0.07)
Discontinued Operations	—	—	—	—	0.18	0.18
2016 YTD Reported Earnings Per Share, Diluted	\$ 3.79	\$ 0.12	\$ 0.02	\$ (0.67)	\$ 0.18	\$ 3.44

Note 1: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all variance drivers except Duke Energy Renewables, which uses an effective tax rate.

Note 2: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

Note 3: Certain prior period amounts have been reclassified to conform to the current year presentation.

- (a) Due to the decrease in common shares outstanding as a result of the Accelerated Stock Repurchase Program. Weighted average diluted shares outstanding decreased from 696 million shares to 690 million shares.
- (b) Primarily due to the NCEMPA rider (+\$0.06), higher energy efficiency recoveries in the Carolinas (+\$0.05), and a prior year unfavorable regulatory order in Ohio related to energy efficiency (+\$0.02).
- (c) Primarily due to the implementation of the new 30-year contract with NCEMPA.
- (d) Primarily due to lower outage costs and cost control efforts, partially offset by increased storm restoration costs and costs related to the NCEMPA asset purchase.
- (e) Primarily due to higher results in Brazil due to improved hydrology, partially offset by weaker foreign currency exchange rates (-\$0.02).
- (f) Primarily due to new wind and solar growth and higher wind production.
- (g) Due to the absence of earnings from the nonregulated Midwest generation business, which was sold in April 2015.
- (h) International Energy includes lower income taxes resulting from the decision to divest the International Energy segment combined with more efficient utilization of foreign tax credits.
- (i) Regulated Utilities includes increased depreciation and amortization expense (-\$0.08) due to higher depreciable base including the NCEMPA asset purchase, and higher non-income taxes (-\$0.05) primarily due to increased property taxes.

**Regulated Utilities
Quarterly Highlights
Supplemental Regulated Utilities Electric Information
September 2016**

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	26,103	24,176	8.0%	2.3%	65,450	66,195	(1.1%)	1.0%
General Service	22,768	22,047	3.3%	2.1%	59,291	59,124	0.3%	0.2%
Industrial	13,854	14,001	(1.0%)	(1.1%)	39,147	39,370	(0.6%)	(0.4%)
Other Energy Sales	144	149	(3.4%)		435	450	(3.3%)	
Unbilled Sales	(703)	(1,808)	61.1%	n/a	1,078	(476)	326.6%	n/a
Total Retail Sales	62,166	58,565	6.1%	1.4%	165,401	164,663	0.4%	0.4%
Special Sales	12,102	10,450	15.8%		33,783	28,551	18.3%	
Total Consolidated Electric Sales - Regulated Utilities	74,268	69,015	7.6%		199,184	193,214	3.1%	
Average Number of Customers (Electric)								
Residential	6,455,615	6,365,092	1.4%		6,439,699	6,351,973	1.4%	
General Service	964,893	954,659	1.1%		961,246	951,350	1.0%	
Industrial	17,807	18,105	(1.6%)		17,868	18,150	(1.6%)	
Other Energy Sales	23,138	23,113	0.1%		23,117	23,024	0.4%	
Total Regular Sales	7,461,453	7,360,969	1.4%		7,441,930	7,344,497	1.3%	
Special Sales	61	64	(4.7%)		61	63	(3.2%)	
Total Average Number of Customers - Regulated Utilities	7,461,514	7,361,033	1.4%		7,441,991	7,344,560	1.3%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	24,665	23,508	4.9%		58,367	62,433	(6.5%)	
Nuclear	19,177	18,469	3.8%		55,785	52,580	6.1%	
Hydro	131	91	44.0%		1,502	1,025	46.6%	
Oil and Natural Gas	17,594	16,533	6.4%		48,461	46,054	5.2%	
Renewable Energy	60	3	1,900.0%		158	10	1,480.0%	
Total Generation (4)	61,627	58,605	5.2%		164,273	162,102	1.3%	
Purchased Power and Net Interchange (5)	17,105	(2,765)	718.6%		45,757	24,461	87.1%	
Total Sources of Energy	78,732	55,840	41.0%		210,030	186,563	12.6%	
Less: Line Loss and Company Usage	4,464	2,604	71.4%		10,846	9,128	18.8%	
Total GWh Sources	74,268	53,236	39.5%		199,184	177,435	12.3%	
Owned MW Capacity (3)								
Summer					49,839	50,081		
Winter					53,028	53,346		
Nuclear Capacity Factor (%) (6)								
					96	95		

(1) Except as indicated in footnote (2), 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.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Carolinas
Quarterly Highlights
Supplemental Regulated Utilities Electric Information
September 2016

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016	2015	%	% Inc.(Dec.) Weather Normal (2)	2016	2015	%	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	8,804	8,213	7.2%		22,055	22,445	(1.7%)	
General Service	8,507	8,273	2.8%		22,105	22,074	0.1%	
Industrial	5,923	6,041	(2.0%)		16,546	16,730	(1.1%)	
Other Energy Sales	76	76	—%		228	229	(0.4%)	
Unbilled Sales	(446)	(1,047)	57.4%		244	(893)	135.2%	
Total Regular Electric Sales	22,864	21,556	6.1%	1.5%	61,178	60,785	0.6%	0.4%
Special Sales	2,644	2,161	21.2%		6,712	6,726	(0.2%)	
Total Consolidated Electric Sales - Duke Energy Carolinas	25,508	23,737	7.5%		67,890	67,511	0.6%	
Average Number of Customers								
Residential	2,151,654	2,120,091	1.5%		2,144,598	2,113,735	1.5%	
General Service	350,252	346,039	1.2%		348,819	344,699	1.2%	
Industrial	6,276	6,414	(2.2%)		6,303	6,444	(2.2%)	
Other Energy Sales	15,224	15,095	0.9%		15,170	15,014	1.0%	
Total Regular Sales	2,523,406	2,487,639	1.4%		2,514,890	2,479,892	1.4%	
Special Sales	24	24	—%		24	25	(4.0%)	
Total Average Number of Customers - Duke Energy Carolinas	2,523,430	2,487,663	1.4%		2,514,914	2,479,917	1.4%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	9,395	8,597	9.3%		20,056	22,127	(9.4%)	
Nuclear	11,607	10,991	5.6%		33,409	34,110	(2.1%)	
Hydro	(35)	(40)	12.5%		802	436	83.9%	
Oil and Natural Gas	3,216	2,945	9.2%		8,893	7,936	12.1%	
Renewable Energy	3	3	—%		10	10	—%	
Total Generation (4)	24,186	22,496	7.5%		63,170	64,619	(2.2%)	
Purchased Power and Net Interchange (5)	2,729	2,731	(0.1%)		8,796	6,988	25.9%	
Total Sources of Energy	26,915	25,227	6.7%		71,966	71,607	0.5%	
Less: Line Loss and Company Usage	1,407	1,490	(5.6%)		4,076	4,096	(0.5%)	
Total GWh Sources	25,508	23,737	7.5%		67,890	67,511	0.6%	
Owned MW Capacity (3)								
Summer					19,678	19,645		
Winter					20,383	20,360		
Nuclear Capacity Factor (%) (6)								
					96	97		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	—	5	(100.0%)		1,861	2,109	(11.8%)	
Cooling Degree Days	1,301	1,085	19.9%		1,890	1,709	10.6%	
Variance from Normal								
Heating Degree Days	(100.0%)	(51.6%)	n/a		(7.1%)	9.4%	n/a	
Cooling Degree Days	33.6%	6.2%	n/a		29.0%	9.8%	n/a	

(1) Except as indicated in footnote (2), 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.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Progress
Quarterly Highlights
Supplemental Regulated Utilities Electric Information
September 2016

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	5,406	5,107	5.9%		14,003	14,547	(3.7%)	
General Service	4,667	4,563	2.3%		12,007	12,000	0.1%	
Industrial	2,806	2,788	0.6%		7,792	7,790	—%	
Other Energy Sales	22	26	(15.4%)		68	81	(16.0%)	
Unbilled Sales	(112)	(481)	76.7%		96	(352)	127.8%	
Total Regular Electric Sales	12,789	12,003	6.5%	1.4%	33,968	34,066	(0.3%)	0.2%
Special Sales	7,244	6,280	15.4%		20,043	15,834	25.8%	
Total Consolidated Electric Sales - Duke Energy Progress	20,033	18,283	9.6%		54,011	50,000	8.0%	
Average Number of Customers								
Residential	1,294,491	1,276,474	1.4%		1,288,882	1,272,450	1.4%	
General Service	229,854	227,015	1.3%		228,698	225,721	1.3%	
Industrial	4,131	4,204	(1.7%)		4,142	4,221	(1.9%)	
Other Energy Sales	1,505	1,683	(10.6%)		1,549	1,687	(8.2%)	
Total Regular Sales	1,529,981	1,509,376	1.4%		1,524,281	1,504,079	1.3%	
Special Sales	15	15	—%		15	15	—%	
Total Average Number of Customers - Duke Energy Progress	1,529,996	1,509,391	1.4%		1,524,296	1,504,094	1.3%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	5,073	4,110	23.4%		9,508	11,454	(17.0%)	
Nuclear	7,570	7,478	1.2%		22,376	18,470	21.1%	
Hydro	71	55	29.1%		449	389	15.4%	
Oil and Natural Gas	5,942	5,857	1.5%		18,037	17,183	5.0%	
Renewable Energy	55	—	n/a		146	—	n/a	
Total Generation (4)	18,711	17,500	6.9%		50,516	47,496	6.4%	
Purchased Power and Net Interchange (5)	2,129	1,447	47.1%		5,391	4,627	16.5%	
Total Sources of Energy	20,840	18,947	10.0%		55,907	52,123	7.3%	
Less: Line Loss and Company Usage	807	664	21.5%		1,896	2,123	(10.7%)	
Total GWh Sources	20,033	18,283	9.6%		54,011	50,000	8.0%	
Owned MW Capacity (3)								
Summer					12,935	12,923		
Winter					14,034	14,042		
Nuclear Capacity Factor (%) (6)								
					96	89		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	—	1	(100.0%)		1,693	2,004	(15.5%)	
Cooling Degree Days	1,343	1,131	18.7%		1,955	1,779	9.9%	
Variance from Normal								
Heating Degree Days	(100.0%)	(78.3%)	n/a		(7.4%)	13.3%	n/a	
Cooling Degree Days	28.5%	2.7%	n/a		23.3%	5.8%	n/a	

(1) Except as indicated in footnote (2), 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.

(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

- (4) Generation by source is reported net of auxiliary power.
 - (5) Purchased power includes renewable energy purchases.
 - (6) Statistics reflect 100% of jointly owned stations.
-

Duke Energy Florida
Quarterly Highlights
Supplemental Regulated Utilities Electric Information
September 2016

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	6,608	6,152	7.4%		15,653	15,200	3.0%	
General Service	4,432	4,309	2.9%		11,493	11,401	0.8%	
Industrial	817	861	(5.1%)		2,381	2,442	(2.5%)	
Other Energy Sales	6	6	—%		18	18	—%	
Unbilled Sales	(160)	(226)	29.2%		498	567	(12.2%)	
Total Regular Electric Sales	11,703	11,102	5.4%	1.4%	30,043	29,628	1.4%	1.1%
Special Sales	737	411	79.3%		1,499	1,160	29.2%	
Total Electric Sales - Duke Energy Florida	12,440	11,513	8.1%		31,542	30,788	2.4%	
Average Number of Customers								
Residential	1,550,574	1,526,065	1.6%		1,546,245	1,521,345	1.6%	
General Service	196,142	193,645	1.3%		195,402	193,161	1.2%	
Industrial	2,168	2,249	(3.6%)		2,184	2,250	(2.9%)	
Other Energy Sales	1,529	1,534	(0.3%)		1,534	1,537	(0.2%)	
Total Regular Sales	1,750,413	1,723,493	1.6%		1,745,365	1,718,293	1.6%	
Special Sales	14	14	—%		14	14	—%	
Total Average Number of Customers - Duke Energy Florida	1,750,427	1,723,507	1.6%		1,745,379	1,718,307	1.6%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	2,823	2,909	(3.0%)		6,605	8,106	(18.5%)	
Oil and Natural Gas	7,610	7,215	5.5%		19,371	19,128	1.3%	
Renewable Energy	2	—	n/a		2	—	n/a	
Total Generation (4)	10,435	10,124	3.1%		25,978	27,234	(4.6%)	
Purchased Power and Net Interchange (5)	2,768	1,986	39.4%		7,407	5,280	40.3%	
Total Sources of Energy	13,203	12,110	9.0%		33,385	32,514	2.7%	
Less: Line Loss and Company Usage	763	597	27.8%		1,843	1,726	6.8%	
Total GWh Sources	12,440	11,513	8.1%		31,542	30,788	2.4%	
Owned MW Capacity (3)								
Summer					9,021	8,958		
Winter					9,926	9,909		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	—	—	—%		401	373	7.5%	
Cooling Degree Days	1,598	1,487	7.6%		2,909	2,977	(2.3%)	
Variance from Normal								
Heating Degree Days	—%	—%	n/a		1.3%	(6.2%)	n/a	
Cooling Degree Days	8.0%	(1.6%)	n/a		7.5%	8.6%	n/a	

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(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Duke Energy Ohio
Quarterly Highlights
Supplemental Regulated Utilities Electric Information
September 2016

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	2,735	2,399	14.0%		6,802	6,891	(1.3%)	
General Service	2,751	2,603	5.7%		7,326	7,281	0.6%	
Industrial	1,577	1,580	(0.2%)		4,478	4,507	(0.6%)	
Other Energy Sales	27	28	(3.6%)		82	82	—%	
Unbilled Sales	16	(57)	128.1%		136	(8)	1,800.0%	
Total Regular Electric Sales	7,106	6,553	8.4%	3.1%	18,824	18,753	0.4%	0.3%
Special Sales	108	145	(25.5%)		293	945	(69.0%)	
Total Electric Sales - Duke Energy Ohio	7,214	6,698	7.7%		19,117	19,698	(2.9%)	
Average Number of Customers								
Residential	752,157	744,827	1.0%		752,530	746,183	0.9%	
General Service	87,582	87,234	0.4%		87,522	87,203	0.4%	
Industrial	2,506	2,525	(0.8%)		2,517	2,531	(0.6%)	
Other Energy Sales	3,259	3,223	1.1%		3,253	3,215	1.2%	
Total Regular Sales	845,504	837,909	0.9%		845,822	839,132	0.8%	
Special Sales	1	1	—%		1	1	—%	
Total Average Number of Customers - Duke Energy Ohio	845,505	837,910	0.9%		845,823	839,133	0.8%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	1,186	1,065	11.4%		2,650	3,453	(23.3%)	
Oil and Natural Gas	17	13	30.8%		28	43	(34.9%)	
Total Generation (4)	1,203	1,078	11.6%		2,678	3,496	(23.4%)	
Purchased Power and Net Interchange (5)								
Total Sources of Energy	6,655	(10,721)	162.1%		18,141	725	2,402.2%	
Less: Line Loss and Company Usage	7,858	(9,643)	181.5%		20,819	4,221	393.2%	
Total GWh Sources	644	(562)	214.6%		1,702	302	463.6%	
Total GWh Sources	7,214	(9,081)	179.4%		19,117	3,919	387.8%	
Owned MW Capacity (3)								
Summer					1,062	1,062		
Winter					1,164	1,164		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	24	21	14.3%		2,848	3,331	(14.5%)	
Cooling Degree Days	973	703	38.4%		1,345	1,094	22.9%	
Variance from Normal								
Heating Degree Days	(60.0%)	(50.0%)	n/a		(8.2%)	11.3%	n/a	
Cooling Degree Days	29.9%	(13.6%)	n/a		24.9%	(7.5%)	n/a	

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(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Duke Energy Ohio
Quarterly Highlights
Supplemental Regulated Utilities Gas Information
September 2016

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
MCF Sales (1)								
Residential	1,664,506	1,755,562	(5.2%)		23,292,149	28,986,782	(19.6%)	
General Service	1,805,312	1,838,773	(1.8%)		15,372,608	18,463,853	(16.7%)	
Industrial	1,134,323	1,192,994	(4.9%)		5,017,068	5,604,282	(10.5%)	
Other Energy Sales	4,904,296	4,439,138	10.5%		15,717,935	15,194,003	3.4%	
Unbilled Sales	59,903	24,000	149.6%		(2,375,774)	(3,221,000)	26.2%	
Total Gas Sales - Duke Energy Ohio	9,568,340	9,250,467	3.4%	2.7%	57,023,986	65,027,920	(12.3%)	(6.1%)
Average Number of Customers								
Residential	473,823	471,005	0.6%		477,385	474,704	0.6%	
General Service	41,180	41,294	(0.3%)		43,100	43,212	(0.3%)	
Industrial	1,524	1,544	(1.3%)		1,608	1,618	(0.6%)	
Other Energy Sales	143	142	0.7%		144	143	0.7%	
Total Average Number of Gas Customers - Duke Energy Ohio	516,670	513,985	0.5%		522,237	519,677	0.5%	
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	24	21	14.3%		2,848	3,331	(14.5%)	
Cooling Degree Days	973	703	38.4%		1,345	1,094	22.9%	
Variance from Normal								
Heating Degree Days	(60.0%)	(50.0%)	n/a		(8.2%)	11.3%	n/a	
Cooling Degree Days	29.9%	(13.6%)	n/a		24.9%	(7.5%)	n/a	

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(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

Duke Energy Indiana
Quarterly Highlights
Supplemental Regulated Utilities Electric Information
September 2016

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	2,550	2,305	10.6%		6,937	7,112	(2.5%)	
General Service	2,411	2,299	4.9%		6,360	6,368	(0.1%)	
Industrial	2,731	2,731	—%		7,950	7,901	0.6%	
Other Energy Sales	13	13	—%		39	40	(2.5%)	
Unbilled Sales	(1)	3	(133.3%)		102	10	920.0%	
Total Regular Electric Sales	7,704	7,351	4.8%	(0.2%)	21,388	21,431	(0.2%)	(0.4%)
Special Sales	1,369	1,433	(4.5%)		5,236	3,786	38.3%	
Total Electric Sales - Duke Energy Indiana	9,073	8,784	3.3%		26,624	25,217	5.6%	
Average Number of Customers								
Residential	706,739	697,535	1.3%		706,434	698,260	1.2%	
General Service	101,063	100,726	0.3%		100,805	100,566	0.2%	
Industrial	2,726	2,713	0.5%		2,722	2,704	0.7%	
Other Energy Sales	1,621	1,578	2.7%		1,611	1,571	2.5%	
Total Regular Sales	812,149	802,552	1.2%		811,572	803,101	1.1%	
Special Sales	7	10	(30.0%)		7	8	(12.5%)	
Total Average Number of Customers - Duke Energy Indiana	812,156	802,562	1.2%		811,579	803,109	1.1%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	6,188	6,828	(9.4%)		19,548	17,293	13.0%	
Hydro	95	76	25.0%		251	200	25.5%	
Oil and Natural Gas	809	503	60.8%		2,132	1,764	20.9%	
Total Generation (4)	7,092	7,407	(4.3%)		21,931	19,257	13.9%	
Purchased Power and Net Interchange (5)	2,824	1,792	57.6%		6,022	6,841	(12.0%)	
Total Sources of Energy	9,916	9,199	7.8%		27,953	26,098	7.1%	
Less: Line Loss and Company Usage	843	415	103.1%		1,329	881	50.9%	
Total GWh Sources	9,073	8,784	3.3%		26,624	25,217	5.6%	
Owned MW Capacity (3)								
Summer					7,143	7,493		
Winter					7,521	7,871		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	21	26	(19.2%)		3,064	3,715	(17.5%)	
Cooling Degree Days	932	706	32.0%		1,308	1,070	22.2%	
Variance from Normal								
Heating Degree Days	(69.1%)	(45.7%)	n/a		(8.3%)	15.9%	n/a	
Cooling Degree Days	26.5%	(12.6%)	n/a		22.5%	(9.5%)	n/a	

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(2) Represents weather normal total retail calendar sales (i.e. billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three 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	Cost Savings Initiatives	Commercial Renewables Impairment			
SEGMENT INCOME							
Regulated Utilities	\$ 1,200	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,200
International Energy	64	—	—	—	—	—	64
Commercial Portfolio	(21)	—	—	45 C	—	45	24
Total Reportable Segment Income	1,243	—	—	45	—	45	1,288
Other	(189)	52 A	12 B	—	—	64	(125)
Total Reportable Segment Income and Other Net Expense	1,054	52	12	45	—	109	1,163
Discontinued Operations	122	—	—	—	(122) D	(122)	—
Net Income Attributable to Duke Energy Corporation	\$ 1,176	\$ 52	\$ 12	\$ 45	\$ (122)	\$ (13)	\$ 1,163
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 1.70	\$ 0.08	\$ 0.02	\$ 0.07	\$ (0.18)	\$ (0.01)	\$ 1.69
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.70	\$ 0.07	\$ 0.02	\$ 0.07	\$ (0.18)	\$ (0.02)	\$ 1.68

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

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

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

D - 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	691

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
Three 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	Ash Basin Settlement				
SEGMENT INCOME								
Regulated Utilities	\$ 905	\$ —	\$ 56	\$ 4	\$ —	\$ —	\$ 60	\$ 965
International Energy	69	—	—	—	—	—	—	69
Commercial Portfolio	8	—	—	—	(1)	—	(1)	7
Total Reportable Segment Income	982	—	56	4	(1)	—	59	1,041
Other	(45)	15	—	—	—	—	15	(30)
Total Reportable Segment Income and Other Net Expense	937	15	56	4	(1)	—	74	1,011
Discontinued Operations	(5)	—	—	—	—	5	5	—
Net Income Attributable to Duke Energy Corporation	\$ 932	\$ 15	\$ 56	\$ 4	\$ (1)	\$ 5	\$ 79	\$ 1,011
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 1.35	\$ 0.02	\$ 0.08	\$ 0.01	\$ —	\$ 0.01	\$ 0.12	\$ 1.47
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.35	\$ 0.02	\$ 0.08	\$ 0.01	\$ —	\$ 0.01	\$ 0.12	\$ 1.47

A - Net of \$9 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 - 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.

D - Recorded within Operating Revenues on the Condensed Consolidated Statements of Operations.

E - 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	688
Diluted	688

* 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
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Nine Months Ended September 30, 2015
(Dollars in millions, except per-share amounts)

	Special Items								Adjusted Earnings
	Reported Earnings	Costs to Achieve, Progress Merger	Edwardsport Settlement	Midwest Generation Operations	Ash Basin Settlement	Economic Hedges (Mark-to-Market) *	Discontinued Operations	Total Adjustments	
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
ADJUSTED EFFECTIVE TAX RECONCILIATION
Three and Nine Months Ended September 30, 2016
(Dollars in Millions)

	<u>Three Months Ended September 30, 2016</u>		<u>Nine Months Ended September 30, 2016</u>	
	<u>Balance</u>	<u>Effective Tax Rate</u>	<u>Balance</u>	<u>Effective Tax Rate</u>
Reported Income From Continuing Operations Before Income Taxes	\$ 1,579		\$ 3,240	
Costs to Achieve, Mergers	84		315	
International Impairment	—		194	
Cost Savings Initiatives	19		63	
Commercial Renewables Impairment	71		71	
Noncontrolling Interests	(5)		(13)	
Adjusted Pretax Income	<u>\$ 1,748</u>		<u>\$ 3,870</u>	
Reported Income Tax Expense From Continuing Operations	\$ 520	32.9%	\$ 972	30.0%
Costs to Achieve, Mergers	32		120	
International Impairment	—		49	
Cost Savings Initiatives	7		24	
Commercial Renewables Impairment	26		26	
Adjusted Tax Expense	<u>\$ 585</u>	33.5% *	<u>\$ 1,191</u>	30.8% *

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

DUKE ENERGY CORPORATION
ADJUSTED EFFECTIVE TAX RECONCILIATION
Three and Nine Months Ended September 30, 2015
(Dollars in Millions)

	Three Months Ended September 30, 2015		Nine Months Ended September 30, 2015	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 1,360		\$ 3,438	
Costs to Achieve, Progress Energy Merger	24		67	
Edwardsport Settlement	90		90	
Midwest Generation Operations	—		147	
Ash Basin Settlement	7		7	
Economic Hedges (Mark-to-Market)	(1)		(1)	
Noncontrolling Interests	(3)		(10)	
Intercompany Eliminations	—		4	
Adjusted Pretax Income	<u>\$ 1,477</u>		<u>\$ 3,742</u>	
Reported Income Tax Expense From Continuing Operations	\$ 420	30.9%	\$ 1,118	32.5%
Tax Adjustment Related to Midwest Generation Sale	—		(41)	
Costs to Achieve, Progress Energy Merger	9		25	
Edwardsport Settlement	34		34	
Midwest Generation Operations	—		53	
Ash Basin Settlement	3		3	
Adjusted Tax Expense	<u>\$ 466</u>	31.6% *	<u>\$ 1,192</u>	31.9% *

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

**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

<u>Exhibit</u>	<u>Description</u>
99.1	Third Quarter 2016 Statistical Supplement



3rd 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 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					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
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)					
	Regulated Utilities	International Energy	Commercial Portfolio	Other	Eliminations / Adjustments	Duke Energy
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							Regulated Utilities
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Kentucky	Duke Energy Indiana	Eliminations/ Adjustments	
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							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	\$ 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	\$ 17,536	\$ 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)

	Special Items							Adjusted Earnings
	Reported Earnings	Costs to Achieve, Mergers	International Impairment	Cost Savings Initiatives	Commercial Renewables Impairment	Discontinued Operations	Total Adjustments	
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): December 20, 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

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 2.01. Completion of Acquisition or Disposition of Assets.

On December 20, 2016, Duke Energy Corporation (the "Corporation") completed the sale, for approximately \$1.2 billion enterprise value, including the assumption of debt, of all of its equity interests in Duke Energy International Group S.à.r.l., Duke Energy International España Holdings SL and Duke Energy International Investments No. 2 Ltd (the "Latin America Subsidiaries"). The Latin America Subsidiaries own approximately 2,300 megawatts of hydroelectric and natural gas generation capacity, transmission infrastructure and natural gas processing facilities in Peru, Chile, Argentina, Guatemala, El Salvador and Ecuador. The sale was consummated pursuant to that Purchase and Sale Agreement, dated as of October 10, 2016, with Orazul Energía Peru S.A.C. and Orazul Energía (España) Holdings S.R.L., each as an assignee of ISQ Enerlam Aggregator, L.P. (n/k/a Orazul Energía Aggregator, L.P.) and Enerlam (UK) Holdings Ltd. (n/k/a Orazul Energía (UK) Holdings Ltd), entities controlled by a consortium of investors led by I Squared Capital (collectively, "I Squared"). The transaction is expected to generate available cash proceeds of approximately \$1 billion, excluding transaction costs and subject to working capital adjustments, which will be used to reduce holding company debt. Existing federal attributes will result in no immediate U.S. federal-level cash tax impacts to the Corporation.

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: December 20, 2016

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

**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): **December 29, 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

20-2777218

(a Delaware corporation)

550 South Tryon Street
Charlotte, North Carolina 28202-1803
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:

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-
-

Item 2.01. Completion of Acquisition or Disposition of Assets.

On December 29, 2016, Duke Energy Corporation (the "Corporation") completed the sale, for approximately \$1.2 billion enterprise value, including the assumption of debt, of all of its equity interests in Duke Energy International Brazil Holdings S.à.r.l. ("DEI Brazil"). DEI Brazil owns 2,090 megawatts of hydroelectric generation capacity in Brazil. The transaction was consummated pursuant to that Purchase and Sale Agreement, dated as of October 10, 2016, with China Three Gorges (Luxembourg) Energy S.à.r.l., a subsidiary of China Three Gorges Corporation.

The Corporation previously announced the completion of the sale of all of its equity interests in Duke Energy International Group S.à.r.l., Duke Energy International España Holdings SL and Duke Energy International Investments No. 2 Ltd (the "Latin America Subsidiaries") on December 20, 2016. The sale of DEI Brazil and the sale of the Latin America Subsidiaries (the "Transactions") are expected to generate available cash proceeds of approximately \$1.9 billion, excluding transaction costs and subject to working capital adjustments, which will be used to reduce Duke Energy holding company debt. Existing federal tax attributes will result in no immediate U.S. tax impacts.

The Transactions excluded the Corporation's 25% equity interest in National Methanol Company, a Saudi Arabian regional producer of methanol and methyl tertiary butyl ether (MTBE), a gasoline additive.

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: December 29, 2016

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

**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): February 16, 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



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- 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.

On February 16, 2017, Duke Energy Corporation issued a news release announcing its financial results for the fourth quarter ended December 31, 2016. A copy of this news release is attached hereto as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to this Item 2.02.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

99.1 News Release issued by Duke Energy Corporation on February 16, 2017

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

/s/ WILLIAM E. CURRENS JR.

William E. Currens Jr.

Senior Vice President, Chief Accounting Officer and Controller

Dated: February 16, 2017

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	News Release issued by Duke Energy Corporation on February 16, 2017

News Release



Media Contact: Catherine Butler
24-Hour: 800.559.3853

Analysts: Mike Callahan
Office: 704.382.0459

Feb. 16, 2017

Duke Energy reports fourth quarter and full-year 2016 financial results

- **GAAP reported diluted earnings per share (EPS) were \$3.11 in 2016, compared to \$4.05 in 2015; adjusted diluted EPS was \$4.69 for 2016 compared to \$4.54 for 2015**
- **Company achieves the high end of its 2016 adjusted diluted EPS guidance range**
- **2017 adjusted diluted EPS guidance range set at \$4.50 to \$4.70**
- **Five-year growth capital plan increased by approximately 25 percent to \$37 billion**

CHARLOTTE, N.C. - Duke Energy today announced 2016 full-year reported diluted EPS, prepared in accordance with Generally Accepted Accounting Principles (GAAP) of \$3.11, compared to \$4.05 for the full-year 2015. Duke Energy's full-year 2016 adjusted diluted EPS was \$4.69, compared to \$4.54 for full-year 2015.

Adjusted diluted EPS excludes the impact of certain items included in GAAP reported diluted EPS. Amounts excluded from adjusted diluted EPS are primarily costs to achieve mergers, certain severance charges, asset impairments, a 2015 charge associated with the Edwardsport IGCC regulatory settlement, and the fourth quarter 2016 loss on sale of International Energy, primarily related to the recognition of cumulative currency translation adjustment losses.

Full-year 2016 adjusted results were driven by favorable weather, strong cost control and benefits from an early close of the Piedmont Natural Gas acquisition, which helped to offset significant storm costs and higher interest expense.

"2016 was a transformational year for Duke Energy as we acquired Piedmont Natural Gas and exited our International business, positioning the company for more consistent earnings and cash flow growth," said Lynn Good, Duke Energy chairman, president and CEO. "We continue to advance our long-term growth strategy to modernize the energy grid, generate cleaner energy and expand natural gas infrastructure. Our employees' commitment to industry-leading operational and safety performance, combined with our unwavering focus on cost management, enabled us to achieve financial results at the high end of our guidance range.

"Our strategy is producing results. By investing in infrastructure our customers value and delivering sustainable growth for our investors, we are confident we will achieve strong results in 2017 and beyond," Good said.

Duke Energy reported a fourth quarter 2016 GAAP loss per share of 33 cents, compared to earnings per share of 69 cents for fourth quarter 2015 primarily related to the loss on the sale

of International Energy. Fourth quarter 2016 adjusted diluted EPS was 81 cents, compared to 87 cents for fourth quarter 2015.

As expected, fourth quarter adjusted results were impacted by higher planned O&M expenses and higher interest expense, partially offset by Piedmont's earnings contribution, net of financing costs.

The company has set its 2017 adjusted diluted EPS guidance range of \$4.50 to \$4.70, and extended its long-term adjusted diluted EPS growth rate of 4 to 6 percent to 2021. The growth rate is anchored to the midpoint of the 2017 adjusted diluted EPS guidance range, or \$4.60 per share. The long-term growth rate is supported by an expanded \$37 billion growth capital plan, representing an increase of approximately 25 percent from the previous five-year growth capital plan.

Business segment results

In addition to the following summary of fourth quarter 2016 business segment performance, comprehensive tables with detailed earnings per share drivers for the fourth quarter and full year 2016, compared to prior year, are provided on pages 15 and 16, respectively.

The discussion below of the fourth-quarter results includes both GAAP segment income and adjusted segment income, which is a non-GAAP financial measure. The tables on pages 24 through 27 present a reconciliation of GAAP reported results to adjusted results.

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, and the results of the Midwest Generation business that was sold in 2015, previously included in the former Commercial Portfolio segment.

Prior periods have been recast to conform to the current segment structure.

Electric Utilities and Infrastructure

On a reported basis, Electric Utilities and Infrastructure recognized fourth quarter 2016 segment income of \$483 million, compared to \$569 million in the fourth quarter of 2015.

On an adjusted basis, Electric Utilities and Infrastructure recognized fourth quarter 2016 adjusted segment income of \$483 million, compared to \$588 million in the fourth quarter of 2015. Adjusted diluted EPS was lower by \$0.15 per share, excluding a \$0.01 decrease due to the common stock issuance of 10.6 million shares used to fund a portion of the Piedmont acquisition.

Lower quarterly results at Electric Utilities and Infrastructure were primarily driven by:

- Higher O&M expenses (-\$0.08 per share), primarily due to higher planned spending
- Higher effective tax rate (-\$0.06 per share) resulting from a prior year benefit

- Higher interest expense (-\$0.03 per share) related to additional debt outstanding
- Higher depreciation and amortization (-\$0.03 per share) from additional plant in service

These unfavorable drivers were partially offset by:

- Favorable weather (+\$0.03 per share), net of estimated volume impacts of Hurricane Matthew (-\$0.02 cents per share)
- Higher AFUDC equity (+\$0.02 per share) due to increased capital investments

Gas Utilities and Infrastructure

Gas Utilities and Infrastructure recognized fourth quarter 2016 reported and adjusted segment income of \$89 million, compared to \$14 million in the fourth quarter of 2015, an increase of \$0.11 per share.

Higher quarterly results at Gas Utilities and Infrastructure were primarily driven by:

- Contribution from Piedmont Natural Gas (+\$0.10 per share), subsequent to the acquisition in October 2016 and before share dilution and debt financing costs which are included in Other
- Higher earnings from midstream pipeline investments (+\$0.01 per share), primarily the Atlantic Coast Pipeline

Commercial Renewables

On a reported basis, Commercial Renewables recognized fourth quarter 2016 segment income of \$10 million, compared to \$17 million in the fourth quarter of 2015.

On an adjusted basis, Commercial Renewables recognized fourth quarter 2016 adjusted segment income of \$10 million, compared to \$19 million in the fourth quarter 2015, a decrease of \$0.01 per share.

Lower quarterly results at Commercial Renewables were primarily driven by lower investment tax credits due to lower solar investments, partially offset by higher production tax credits from additional wind facilities placed in service.

Other

Other primarily includes corporate interest expense not allocated to the business units, results from Duke Energy's captive insurance company, and other investments including National Methanol Company, an equity method investment, and the results of the Midwest Generation business that was sold in 2015, previously included in the former Commercial Portfolio segment.

On a reported basis, Other recognized fourth quarter 2016 net expense of \$209 million, compared to net expense of \$170 million in the fourth quarter of 2015. In addition to the drivers outlined below, quarterly results were impacted by higher costs to achieve mergers, partially offset by lower charges related to cost savings initiatives. These charges were treated as special items and therefore excluded from adjusted earnings.

On an adjusted basis, Other recognized fourth quarter 2016 adjusted net expense of \$57 million, compared to adjusted net expense of \$75 million in the fourth quarter of 2015, an improvement of \$0.02 per share. The decreased net expense was primarily driven by a change in effective tax rate due to an unfavorable tax adjustment in the prior year (+\$0.07 per share) partially offset by higher interest expense in 2016 (-\$0.03 per share) primarily resulting from the Piedmont Natural Gas acquisition financing.

Duke Energy's consolidated reported effective tax rate for fourth quarter 2016 was 26.6 percent, compared to 29.2 percent in the fourth quarter of 2015. The consolidated adjusted effective tax rate for fourth quarter 2016 was 30.4 percent, compared to 31.4 percent in 2015. Adjusted effective tax rate is a non-GAAP financial measure. The tables on pages 28 and 29 present a reconciliation of the GAAP reported effective tax rate to the adjusted effective tax rate.

Discontinued Operations

For the fourth quarter of 2016, Duke Energy's GAAP reported Loss From Discontinued Operations, net of tax includes a loss on the sale of the International business and other transaction-related costs, partially offset by the operating results of the International business prior to the sale of \$40 million. The operating results of \$40 million were included in Duke Energy's adjusted earnings for the fourth quarter.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled for 10 a.m. ET today. In addition to discussing the fourth quarter and year-end 2016 financial results, the company will provide its 2017 adjusted diluted earnings per share guidance range and other business and financial updates.

The conference call will be hosted by Lynn Good, chairman, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors' section (<http://www.duke-energy.com/investors/>) of Duke Energy's website or by dialing 888-487-0354 in the United States or 719-457-2506 outside the United States. The confirmation code is 1359293. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until 1 p.m. ET, Feb. 24, 2017, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code 1359293. An audio replay and transcript will also be available by accessing the investors' section of the company's website.

Special Items and Non-GAAP Reconciliation

The following tables present a reconciliation of GAAP reported to adjusted diluted EPS for fourth quarter and full-year 2016 and 2015 financial results:

(In millions, except per-share amounts)	After-Tax Amount	4Q 2016 EPS	4Q 2015 EPS
Diluted EPS, as reported		\$ (0.33)	\$ 0.69
Adjustments to reported EPS:			
Fourth Quarter 2016			
Costs to achieve mergers	\$ 134	0.19	
Cost saving initiatives	18	0.03	
Discontinued operations ^(a)	640	0.92	
Fourth Quarter 2015			
Costs to achieve mergers	18		0.03
Ash basin settlement	7		0.01
Cost savings initiatives	88		0.13
Discontinued operations ^(b)	9		0.01
Total adjustments		\$ 1.14	\$ 0.18
Diluted EPS, adjusted		\$ 0.81	\$ 0.87

- (a) Includes a loss on sale of the International Disposal Group. Represents the GAAP reported Loss from Discontinued Operations less the International Disposal Group operating results, which are included in adjusted earnings.
- (b) Represents the GAAP reported Loss from Discontinued Operations less the International Disposal Group operating results, which are included in adjusted earnings.

(In millions, except per-share amounts)	After-Tax Amount	Full-Year 2016 EPS	Full-Year 2015 EPS
Diluted EPS, as reported		\$ 3.11	\$ 4.05
Adjustments to reported EPS:			
Full-Year 2016			
Costs to achieve mergers	\$ 329	0.48	
Cost saving initiatives	57	0.08	
Commercial Renewables impairment	45	0.07	
Discontinued operations ^(a)	661	0.95	
Full-Year 2015			
Costs to achieve mergers	60		0.09
Edwardsport settlement	58		0.08
Ash basin settlement and penalties	11		0.02
Cost savings initiatives	88		0.13
Discontinued operations ^(b)	119		0.17
Total adjustments		\$ 1.58	\$ 0.49
Diluted EPS, adjusted		\$ 4.69	\$ 4.54

- (a) Includes a loss on sale of the International Disposal Group. Represents the GAAP reported Loss from Discontinued Operations, less the International Disposal Group operating results, which are included in adjusted earnings.
- (b) Includes the impact of a litigation reserve related to the Midwest Generation Disposal Group. Represents i) GAAP reported Income from Discontinued Operations, less the International Disposal Group operating results and Midwest Generation Disposal Group operating results, which are included in adjusted earnings, and ii) a state tax charge resulting from the completion of the sale of the Midwest Generation Disposal Group but not reported as discontinued operations.

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 attributable to Duke Energy, adjusted for the dollar and per-share impact of special items. As discussed below, special items include certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted 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.

Special items included in the periods presented include the following:

- Costs to achieve mergers represent charges that result from potential or completed strategic acquisitions.
- Cost savings initiatives represents severance charges related to company-wide initiatives to standardize processes and systems, leverage technology and workforce optimization.
- Commercial Renewables Impairment and Asset impairment represent other-than-temporary impairments.
- Edwardsport Settlement and Ash Basin Settlement and Penalties represent charges related to Plea Agreements and settlement agreements with regulators and other governmental entities.

Adjusted earnings also include the operating results of the nonregulated Midwest generation business and Duke Energy Retail Sales (collectively, the Midwest Generation Disposal Group) and the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Groups within adjusted earnings and adjusted diluted EPS results is 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 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 companies may not calculate the measures in the same manner.

Duke Energy, one of the largest electric power holding companies in the United States, supplies and delivers electricity to approximately 7.4 million customers in the Southeast and Midwest, representing a population of approximately 24 million people. The company also distributes natural gas to more than 1.5 million customers in the Carolinas, Ohio, Kentucky and Tennessee. Its commercial business operates a growing renewable energy portfolio and transmission infrastructure across the United States.

Headquartered in Charlotte, N.C., Duke Energy is an S&P 100 Stock Index company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available at duke-energy.com.

The [Duke Energy News Center](#) serves as a multimedia resource for journalists and features news releases, helpful links, photos and videos. Hosted by Duke Energy, [illumination](#) is an online destination for stories about remarkable people, innovations, and community and environmental topics. It also offers glimpses into the past and insights into the future of energy.

Follow Duke Energy on [Twitter](#), [LinkedIn](#), [Instagram](#) and [Facebook](#).

Forward-Looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may

cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: state, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements or climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; the extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; the ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through the regulatory process; the costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; credit ratings of the company or its subsidiaries may be different from what is expected; costs and effects of legal and administrative proceedings, settlements, investigations and claims; industrial, commercial and residential growth or decline in service territories or customer bases resulting from variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, including self-generation and distributed generation technologies; federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as rooftop solar and battery storage, in our service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; advancements in technology; additional competition in electric and gas markets and continued industry consolidation; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; the ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; the ability to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; operational interruptions to our gas distribution and transmission activities; the availability of adequate interstate pipeline transportation capacity and natural gas supply; the impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, and other catastrophic events such as fires, explosions, pandemic health events or other similar occurrences; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; the results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations and general economic conditions; the credit ratings may be different from what the company and its subsidiaries expect; declines in the market prices of equity and fixed income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement

benefit plans, and nuclear decommissioning trust funds; construction and development risks associated with the completion of Duke Energy and its subsidiaries' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner or at all; changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; the ability to control operation and maintenance costs; the level of creditworthiness of counterparties to transactions; employee workforce factors, including the potential inability to attract and retain key personnel; the ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; substantial revision to the U.S. tax code, such as changes to the corporate tax rate or a material change in the deductibility of interest; the impact of potential goodwill impairments; the ability to successfully complete future merger, acquisition or divestiture plans; and the ability to successfully integrate the natural gas businesses following the acquisition of Piedmont Natural Gas Company, Inc. and realize anticipated benefits.

Additional risks and uncertainties are identified and discussed in Duke Energy's and its subsidiaries' reports filed with the SEC and available at the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made; Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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**December 2016
QUARTERLY HIGHLIGHTS
(Unaudited)**

<i>(In millions, except per-share amounts and where noted)</i>	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
Earnings Per Share - Basic and Diluted				
Income from continuing operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ 0.53	\$ 0.62	\$ 3.71	\$ 3.80
Diluted	\$ 0.53	\$ 0.62	\$ 3.71	\$ 3.80
(Loss) Income from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ (0.86)	\$ 0.07	\$ (0.60)	\$ 0.25
Diluted	\$ (0.86)	\$ 0.07	\$ (0.60)	\$ 0.25
Net (loss) income attributable to Duke Energy Corporation common stockholders				
Basic	\$ (0.33)	\$ 0.69	\$ 3.11	\$ 4.05
Diluted	\$ (0.33)	\$ 0.69	\$ 3.11	\$ 4.05
Weighted average shares outstanding				
Basic	699	688	691	694
Diluted	699	688	691	694
INCOME (LOSS) BY BUSINESS SEGMENT				
Electric Utilities and Infrastructure ^(a)	\$ 483	\$ 569	\$ 3,040	\$ 2,819
Gas Utilities and Infrastructure ^(b)	89	14	152	73
Commercial Renewables ^(c)	10	17	23	52
Total Reportable Segment Income	582	600	3,215	2,944
Other ^{(d)(e)(f)(g)}	(209)	(170)	(645)	(299)
Intercompany Eliminations	1	—	1	—
(Loss) Income from Discontinued Operations, net of tax ^(h)	(601)	47	(419)	171
Net (Loss) Income Attributable to Duke Energy Corporation	\$ (227)	\$ 477	\$ 2,152	\$ 2,816
CAPITALIZATION				
Total Common Equity (%)			45%	48%
Total Debt (%)			55%	52%
Total Debt			\$ 50,382	\$ 42,501
Book Value Per Share			\$ 58.63	\$ 57.78
Actual Shares Outstanding			700	688
CAPITAL AND INVESTMENT EXPENDITURES				
Electric Utilities and Infrastructure ⁽ⁱ⁾	\$ 2,070	\$ 1,721	\$ 6,649	\$ 6,852
Gas Utilities and Infrastructure ^(j)	5,242	72	5,519	234
Commercial Renewables	428	343	857	1,019
Other ^(k)	124	59	190	258
Total Capital and Investment Expenditures	\$ 7,864	\$ 2,195	\$ 13,215	\$ 8,363

Note: Prior period amounts have been restated to conform to the current segment structure.

(a) Includes a charge of \$58 million (net of tax of \$35 million) related to the Edwardsport settlement for the year ended December 31, 2015.

(b) Includes \$67 million of Piedmont's earnings for the three months and year ended December 31, 2016.

(c) Includes an impairment charge of \$45 million (net of tax of \$26 million) for the year ended December 31, 2016, related to certain equity method investments in wind projects.

(d) Includes costs to achieve mergers of \$134 million (net of tax of \$74 million) for the three months ended December 31, 2016, and \$329 million (net of tax of \$194 million) for the year ended December 31, 2016.

(e) Includes costs to achieve mergers of \$60 million (net of tax of \$37 million) for the year ended December 31, 2015.

(f) Includes a charge of \$57 million (net of tax of \$35 million) for the year ended December 31, 2016, primarily consisting of severance expense related to cost savings initiatives.

(g) Includes a charge of \$77 million (net of tax of \$47 million) for the three months and year ended December 31, 2015, primarily consisting of severance expense related to cost savings initiatives.

(h) Includes a loss on the sale of the International Disposal Group of \$640 million (including tax charges of \$126 million) for the three months and year ended December 31, 2016.

(i) Includes \$1.25 billion related to the NCEMPA acquisition for the year ended December 31, 2015.

(j) Includes \$5 billion related to the Piedmont acquisition for the three months and year ended December 31, 2016.

(k) Includes capital expenditures of the International Disposal Group prior to the sale.

December 2016
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions)</i>	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
ELECTRIC UTILITIES AND INFRASTRUCTURE				
Operating Revenues	\$ 4,936	\$ 4,851	\$ 21,366	\$ 21,521
Operating Expenses	3,950	3,818	15,821	16,295
(Loss) Gains on Sales of Other Assets and Other, net	(3)	2	—	5
Operating Income	983	1,035	5,545	5,231
Other Income and Expenses	88	76	303	264
Interest Expense	307	263	1,136	1,074
Income Before Income Taxes	764	848	4,712	4,421
Income Tax Expense	281	279	1,672	1,602
Segment Income	\$ 483	\$ 569	\$ 3,040	\$ 2,819
Depreciation and Amortization	\$ 758	\$ 698	\$ 2,897	\$ 2,735
GAS UTILITIES AND INFRASTRUCTURE				
Operating Revenues	\$ 543	\$ 122	\$ 901	\$ 541
Operating Expenses	379	93	636	408
(Loss) Gains on Sales of Other Assets and Other, net	(1)	(1)	(1)	6
Operating Income	163	28	264	139
Other Income and Expenses	11	2	24	3
Interest Expense	27	6	46	25
Income Before Income Taxes	147	24	242	117
Income Tax Expense	58	10	90	44
Segment Income	\$ 89	\$ 14	\$ 152	\$ 73
Depreciation and Amortization	\$ 56	\$ 20	\$ 115	\$ 79
COMMERCIAL RENEWABLES				
Operating Revenues	\$ 119	\$ 86	\$ 484	\$ 286
Operating Expenses	123	96	492	322
Gains (Loss) on Sales of Other Assets and Other, net	1	(5)	5	1
Operating Loss	(3)	(15)	(3)	(35)
Other Income and Expenses	(5)	6	(83)	2
Interest Expense	15	11	53	44
Loss Before Income Taxes	(23)	(20)	(139)	(77)
Income Tax Benefit	(33)	(36)	(160)	(128)
Less: Loss Attributable to Noncontrolling Interests	—	(1)	(2)	(1)
Segment Income	\$ 10	\$ 17	\$ 23	\$ 52
Depreciation and Amortization	\$ 34	\$ 27	\$ 130	\$ 104
OTHER				
Operating Revenues	\$ 26	\$ 45	\$ 117	\$ 135
Operating Expenses	287	206	604	409
Gains on Sales of Other Assets and Other, net	9	3	23	18
Operating Loss	(252)	(158)	(464)	(256)
Other Income and Expenses	15	25	75	98
Interest Expense	140	108	693	393
Loss Before Income Taxes	(377)	(241)	(1,082)	(551)
Income Tax Benefit	(170)	(74)	(446)	(262)
Less: Income Attributable to Noncontrolling Interests	2	3	9	10
Other Net Expense	\$ (209)	\$ (170)	\$ (645)	\$ (299)
Depreciation and Amortization	\$ 44	\$ 36	\$ 152	\$ 135

Note: Prior period amounts have been restated to conform to the current segment structure.

DUKE ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except per-share amounts)

	Years Ended December 31,		
	2016	2015	2014
Operating Revenues			
Regulated electric	\$ 21,221	\$ 21,379	\$ 21,550
Nonregulated electric and other	659	456	386
Regulated natural gas	863	536	573
Total operating revenues	22,743	22,371	22,509
Operating Expenses			
Fuel used in electric generation and purchased power	6,625	7,355	7,732
Cost of natural gas	265	141	185
Operation, maintenance and other	6,085	5,539	5,506
Depreciation and amortization	3,294	3,053	2,969
Property and other taxes	1,142	1,129	1,204
Impairment charges	18	106	81
Total operating expenses	17,429	17,323	17,677
Gains on Sales of Other Assets and Other, net	27	30	10
Operating Income	5,341	5,078	4,842
Other Income and Expenses			
Equity in earnings (losses) of unconsolidated affiliates	(15)	69	130
Other income and expenses, net	324	290	320
Total other income and expenses	309	359	450
Interest Expense	1,916	1,527	1,529
Income From Continuing Operations Before Income Taxes	3,734	3,910	3,763
Income Tax Expense from Continuing Operations	1,156	1,256	1,225
Income From Continuing Operations	2,578	2,654	2,538
(Loss) Income From Discontinued Operations, net of tax	(408)	177	(649)
Net Income	2,170	2,831	1,889
Less: Net Income Attributable to Noncontrolling Interests	18	15	6
Net Income Attributable to Duke Energy Corporation	\$ 2,152	\$ 2,816	\$ 1,883

Earnings Per Share - Basic and Diluted

Income from continuing operations attributable to Duke Energy Corporation common stockholders					
Basic	\$	3.71	\$	3.80	\$ 3.58
Diluted	\$	3.71	\$	3.80	\$ 3.58
(Loss) Income from discontinued operations attributable to Duke Energy Corporation common stockholders					
Basic	\$	(0.60)	\$	0.25	\$ (0.92)
Diluted	\$	(0.60)	\$	0.25	\$ (0.92)
Net income attributable to Duke Energy Corporation common stockholders					
Basic	\$	3.11	\$	4.05	\$ 2.66
Diluted	\$	3.11	\$	4.05	\$ 2.66
Weighted average shares outstanding					
Basic		691		694	707
Diluted		691		694	707

DUKE ENERGY CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in millions)</i>	December 31, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 392	\$ 383
Receivables (net of allowance for doubtful accounts of \$14 at 2016 and \$12 at 2015)	751	515
Receivables of VIEs (net of allowance for doubtful accounts of \$54 at 2016 and \$53 at 2015)	1,893	1,748
Inventory	3,522	3,746
Assets held for sale	—	746
Regulatory assets (includes \$50 related to VIEs at 2016)	1,023	877
Other	458	307
Total current assets	8,039	8,322
Investments and Other Assets		
Investments in equity method unconsolidated affiliates	925	499
Nuclear decommissioning trust funds	6,205	5,825
Goodwill	19,425	16,072
Assets held for sale	—	2,413
Other	2,752	2,830
Total investments and other assets	29,307	27,639
Property, Plant and Equipment		
Cost	121,397	109,967
Accumulated depreciation and amortization	(39,406)	(36,736)
Generation facilities to be retired, net	529	548
Net property, plant and equipment	82,520	73,779
Regulatory Assets and Deferred Debits		
Regulatory assets (includes \$1,142 related to VIEs at 2016)	12,878	11,373
Other	17	43
Total regulatory assets and deferred debits	12,895	11,416
Total Assets	\$ 132,761	\$ 121,156
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 2,994	\$ 2,350
Notes payable and commercial paper	2,487	3,633
Taxes accrued	384	289
Interest accrued	503	412
Current maturities of long-term debt (includes \$260 at 2016 and \$125 at 2015 related to VIEs)	2,319	2,026
Liabilities associated with assets held for sale	—	279
Asset retirement obligations	411	—
Regulatory liabilities	409	400
Other	2,044	2,011
Total current liabilities	11,551	11,400
Long-Term Debt (includes \$3,587 at 2016 and \$2,197 at 2015 related to VIEs)	45,576	36,842
Deferred Credits and Other Liabilities		
Deferred income taxes	14,155	12,548
Investment tax credits	493	472
Accrued pension and other post-retirement benefit costs	1,111	1,088
Liabilities associated with assets held for sale	—	900
Asset retirement obligations	10,200	10,249
Regulatory liabilities	6,881	6,255
Other	1,753	1,631
Total deferred credits and other liabilities	34,593	33,143
Commitments and Contingencies		
Equity		
Common stock, \$0.001 par value, 2 billion shares authorized; 700 million and 688 million shares outstanding at 2016 and 2015, respectively	1	1

Additional paid-in capital	38,741	37,968
Retained earnings	2,384	2,564
Accumulated other comprehensive loss	(93)	(806)
Total Duke Energy Corporation stockholders' equity	41,033	39,727
Noncontrolling interests	8	44
Total equity	41,041	39,771
Total Liabilities and Equity	\$ 132,761	\$ 121,156

DUKE ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Years Ended December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 2,170	\$ 2,831
Adjustments to reconcile net income to net cash provided by operating activities	4,628	3,845
Net cash provided by operating activities	6,798	6,676
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(11,533)	(5,277)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by (used in) financing activities	4,270	(2,578)
Changes in cash and cash equivalents included in assets held for sale	474	1,099
Net increase (decrease) in cash and cash equivalents	9	(80)
Cash and cash equivalents at the beginning of period	383	463
Cash and cash equivalents at end of period	\$ 392	\$ 383

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
December 2016 QTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	International Energy	Other	Discontinued Operations	Consolidated
2015 QTD Reported Earnings Per Share, Diluted	\$ 0.82	\$ 0.02	\$ 0.02	\$ —	\$ (0.24)	\$ 0.07	\$ 0.69
Costs to Achieve Mergers	—	—	—	—	0.03	—	0.03
Ash Basin Settlement and Penalties	0.01	—	—	—	—	—	0.01
Cost Savings Initiatives	0.02	—	—	—	0.11	—	0.13
International Energy Operations	—	—	—	0.08	—	(0.08)	—
Discontinued Operations	—	—	—	—	—	0.01	0.01
2015 QTD Adjusted Earnings Per Share, Diluted	\$ 0.85	\$ 0.02	\$ 0.02	\$ 0.08	\$ (0.10)	\$ —	\$ 0.87
Change in share count	(0.01)	—	—	—	—	—	(0.01)
Weather-related (a)	0.03	—	—	—	—	—	0.03
Volume	(0.01)	—	—	—	—	—	(0.01)
Pricing and Riders	(0.01)	—	—	—	—	—	(0.01)
Wholesale	(0.01)	—	—	—	—	—	(0.01)
Operations and maintenance, net of recoverables (b)	(0.08)	0.01	—	—	—	—	(0.07)
Piedmont Natural Gas contribution	—	0.10	—	—	—	—	0.10
Commercial Gas Pipelines	—	0.01	—	—	—	—	0.01
Duke Energy Renewables	—	—	(0.01)	—	—	—	(0.01)
Other (c)	0.02	—	—	—	(0.02)	—	—
Interest Expense	(0.03)	—	—	—	(0.03)	—	(0.06)
Change in effective income tax rate	(0.06)	(0.01)	—	(0.01)	0.07	—	(0.01)
Latin America, including foreign exchange rates	—	—	—	(0.01)	—	—	(0.01)
2016 QTD Adjusted Earnings Per Share, Diluted	\$ 0.69	\$ 0.13	\$ 0.01	\$ 0.06	\$ (0.08)	\$ —	\$ 0.81
Costs to Achieve Mergers	—	—	—	—	(0.19)	—	(0.19)
Cost Savings Initiatives	—	—	—	—	(0.03)	—	(0.03)
International Energy Operations	—	—	—	(0.06)	—	0.06	—
Discontinued Operations	—	—	—	—	—	(0.92)	(0.92)
2016 QTD Reported Earnings Per Share, Diluted	\$ 0.69	\$ 0.13	\$ 0.01	\$ —	\$ (0.30)	\$ (0.86)	\$ (0.33)

Note 1: Prior period amounts have been restated to conform to the current segment structure. Results of NMC, previously included in the International Energy segment, are now within Other.

Note 2: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

Note 3: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all variance drivers except Duke Energy Renewables, which uses an effective tax rate.

(a) Weather-related amounts include estimated volume impacts of Hurricane Matthew.

(b) Primarily due to higher planned O&M spending, including costs related to employee benefits.

(c) Electric Utilities and Infrastructure includes higher AFUDC equity (+\$0.02) and lower general taxes (+\$0.03), partially offset by increased depreciation and amortization expense (-\$0.03) due to higher depreciable base.

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
December 2016 YTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	International Energy	Other		Discontinued Operations	Consolidated
					Continuing Operations	Midwest Generation		
2015 YTD Reported Earnings Per Share, Diluted	\$ 4.06	\$ 0.11	\$ 0.08	\$ —	\$ (0.45)	\$ —	\$ 0.25	\$ 4.05
Costs to Achieve Mergers	—	—	—	—	0.09	—	—	0.09
Edwardsport Settlement	0.08	—	—	—	—	—	—	0.08
Midwest Generation Operations	—	—	—	—	—	0.14	(0.14)	—
Ash Basin Settlement and Penalties	0.02	—	—	—	—	—	—	0.02
Cost Savings Initiatives	0.01	—	—	—	0.12	—	—	0.13
International Energy Operations	—	—	—	0.22	—	—	(0.22)	—
Discontinued Operations	—	—	—	—	0.06	—	0.11	0.17
2015 YTD Adjusted Earnings Per Share, Diluted	\$ 4.17	\$ 0.11	\$ 0.08	\$ 0.22	\$ (0.18)	\$ 0.14	\$ —	\$ 4.54
Change in share count (a)	0.02	—	—	—	—	—	—	0.02
Weather-related (b)	0.07	—	—	—	—	—	—	0.07
Volume	0.03	—	—	—	—	—	—	0.03
Pricing and Riders (c)	0.14	0.01	—	—	—	—	—	0.15
Wholesale (d)	0.07	—	—	—	—	—	—	0.07
Operations and maintenance, net of recoverables (e)	(0.02)	—	—	—	—	—	—	(0.02)
Piedmont Natural Gas contribution	—	0.10	—	—	—	—	—	0.10
Commercial Gas Pipelines	—	0.02	—	—	—	—	—	0.02
Duke Energy Renewables	—	—	0.02	—	—	—	—	0.02
National Methanol Company (NMC)	—	—	—	—	(0.05)	—	—	(0.05)
Other (f)	(0.08)	(0.02)	—	—	(0.03)	—	—	(0.13)
Interest Expense	(0.04)	—	—	—	(0.06)	—	—	(0.10)
Change in effective income tax rate	0.04	—	—	0.09	(0.06)	—	—	0.07
Midwest Generation (g)	—	—	—	—	—	(0.14)	—	(0.14)
Latin America, including foreign exchange rates	—	—	—	0.04	—	—	—	0.04
2016 YTD Adjusted Earnings Per Share, Diluted	\$ 4.40	\$ 0.22	\$ 0.10	\$ 0.35	\$ (0.38)	\$ —	\$ —	\$ 4.69
Cost to Achieve Mergers	—	—	—	—	(0.48)	—	—	(0.48)
Cost Savings Initiatives	—	—	—	—	(0.08)	—	—	(0.08)
Commercial Renewables Impairment	—	—	(0.07)	—	—	—	—	(0.07)
International Energy Operations	—	—	—	(0.35)	—	—	0.35	—
Discontinued Operations	—	—	—	—	—	—	(0.95)	(0.95)
2016 YTD Reported Earnings Per Share, Diluted	\$ 4.40	\$ 0.22	\$ 0.03	\$ —	\$ (0.94)	\$ —	\$ (0.60)	\$ 3.11

Note 1: Prior period amounts have been restated to conform to the current segment structure. Results of NMC, previously included in the International Energy segment, are now within Other.

Note 2: Adjusted and Reported Earnings Per Share amounts by segment may not recompute from other published schedules due to rounding.

Note 3: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all variance drivers except Duke Energy Renewables, which uses an effective tax rate.

(a) Due to the prior year repurchase of common shares, partially offset by the issuance of shares in 2016 to partially fund the Piedmont acquisition. Weighted average diluted shares outstanding decreased from 694 million shares to 691 million shares.

(b) Weather-related amounts include estimated volume impacts of Hurricane Matthew.

(c) Primarily due to the NCEMPA rider (+\$0.07) and higher energy efficiency recoveries in the Carolinas (+\$0.05).

(d) Primarily due to the implementation of the 30-year contract with NCEMPA.

(e) Primarily due to increased storm restoration costs and costs related to the NCEMPA asset purchase, partially offset by strong cost control.

(f) Electric Utilities and Infrastructure includes increased depreciation and amortization expense (-\$0.11) due to higher depreciable base, partially offset by higher AFUDC equity (+\$0.03).

(g) Due to prior year earnings from the nonregulated Midwest generation business, which was sold in April 2015.

Electric Utilities and Infrastructure
Quarterly Highlights
December 2016

	Three Months Ended December 31,				Years Ended December 31,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	18,057	17,198	5.0%	—%	83,507	83,393	0.1%	0.7%
General Service	18,473	18,243	1.3%	0.2%	77,764	77,367	0.5%	0.1%
Industrial	12,748	12,827	(0.6%)	(1.0%)	51,896	52,197	(0.6%)	(0.6%)
Other Energy Sales	144	147	(2.0%)		579	597	(3.0%)	
Unbilled Sales	(328)	113	(390.3%)	n/a	750	(363)	306.6%	n/a
Total Retail Sales	49,094	48,528	1.2%	(0.2)%	214,495	213,191	0.6%	0.2%
Special Sales	9,251	9,524	(2.9%)		43,094	38,075	13.0%	
Total Consolidated Electric Sales - Electric Utilities and Infrastructure	58,345	58,052	0.5%		257,529	251,266	2.5%	
Average Number of Customers (Electric)								
Residential	6,481,081	6,394,280	1.4%		6,450,046	6,362,549	1.4%	
General Service	966,777	956,880	1.1%		962,629	952,483	1.1%	
Industrial	17,768	17,983	(1.2%)		17,843	18,107	(1.5%)	
Other Energy Sales	23,177	23,119	0.3%		23,132	23,049	0.4%	
Total Regular Sales	7,488,803	7,391,262	1.3%		7,453,650	7,356,188	1.3%	
Special Sales	60	63	(4.8%)		61	63	(3.2%)	
Total Average Number of Customers - Electric Utilities and Infrastructure	7,488,863	7,391,325	1.3%		7,453,711	7,356,251	1.3%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	15,400	13,915	10.7%		73,767	76,348	(3.4%)	
Nuclear	18,375	18,541	(0.9%)		74,160	71,121	4.3%	
Hydro	153	996	(84.6%)		1,655	2,021	(18.1%)	
Oil and Natural Gas	13,689	14,616	(6.3%)		62,150	60,670	2.4%	
Renewable Energy	37	3	1,133.3%		195	13	1,400.0%	
Total Generation (4)	47,654	48,071	(0.9%)		211,927	210,173	0.8%	
Purchased Power and Net Interchange (5)	13,625	11,763	15.8%		59,382	52,845	12.4%	
Total Sources of Energy	61,279	59,834	2.4%		271,309	263,018	3.2%	
Less: Line Loss and Other	2,934	1,782	64.6%		13,780	11,752	17.3%	
Total GWh Sources	58,345	58,052	0.5%		257,529	251,266	2.5%	
Owned MW Capacity (3)								
Summer					49,338	50,216		
Winter					52,515	53,484		
Nuclear Capacity Factor (%) (6)								
					96	94		

(1) Except as indicated in footnote (2), 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.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Carolinas
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
December 2016

	Three Months Ended December 31,			Years Ended December 31,				
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	5,884	5,471	7.5%		27,939	27,916	0.1%	
General Service	6,801	6,626	2.6%		28,906	28,700	0.7%	
Industrial	5,396	5,406	(0.2%)		21,942	22,136	(0.9%)	
Other Energy Sales	76	76	—%		304	305	(0.3%)	
Unbilled Sales	128	(21)	709.5%		372	(539)	189.0%	
Total Retail Sales	18,285	17,558	4.1%	(1.7%)	79,463	78,518	1.2%	(0.3%)
Special Sales	2,370	1,706	38.9%		9,062	8,432	7.7%	
Total Consolidated Electric Sales - Duke Energy Carolinas	20,655	19,264	7.2%		88,545	86,950	1.8%	
Average Number of Customers								
Residential	2,159,930	2,128,724	1.5%		2,148,432	2,117,482	1.5%	
General Service	351,145	346,378	1.4%		349,400	345,119	1.2%	
Industrial	6,270	6,337	(1.1%)		6,295	6,417	(1.9%)	
Other Energy Sales	15,250	15,123	0.8%		15,190	15,041	1.0%	
Total Regular Sales	2,532,595	2,496,562	1.4%		2,519,317	2,484,059	1.4%	
Special Sales	23	24	(4.2%)		24	25	(4.0%)	
Total Average Number of Customers - Duke Energy Carolinas	2,532,618	2,496,586	1.4%		2,519,341	2,484,084	1.4%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	5,551	3,769	47.3%		25,607	25,896	(1.1%)	
Nuclear	11,417	10,903	4.7%		44,826	45,013	(0.4%)	
Hydro	20	700	(97.1%)		822	1,136	(27.6%)	
Oil and Natural Gas	2,886	2,659	8.5%		11,779	10,595	11.2%	
Renewable Energy	3	3	—%		13	13	—%	
Total Generation (4)	19,877	18,034	10.2%		83,047	82,653	0.5%	
Purchased Power and Net Interchange (5)	1,941	2,182	(11.0%)		10,737	9,170	17.1%	
Total Sources of Energy	21,818	20,216	7.9%		93,784	91,823	2.1%	
Less: Line Loss and Other	1,163	952	22.2%		5,239	4,873	7.5%	
Total GWh Sources	20,655	19,264	7.2%		88,545	86,950	1.8%	
Owned MW Capacity (3)								
Summer					19,685	19,645		
Winter					20,390	20,360		
Nuclear Capacity Factor (%) (6)								
					96	96		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,047	813	28.8%		2,908	2,922	(0.5%)	
Cooling Degree Days	60	22	172.7%		1,950	1,731	12.7%	
Variance from Normal								
Heating Degree Days	(18.1%)	(34.2%)	n/a		(11.4%)	(7.6%)	n/a	
Cooling Degree Days	71.4%	(46.3%)	n/a		29.9%	8.4%	n/a	

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(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Progress
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
December 2016

	Three Months Ended December 31,				Years Ended December 31,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	3,683	3,407	8.1%		17,586	17,954	(1.5%)	
General Service	3,550	3,529	0.6%		15,557	15,529	0.2%	
Industrial	2,482	2,498	(0.6%)		10,274	10,288	(0.1%)	
Other Energy Sales	21	25	(16.0%)		89	106	(16.0%)	
Unbilled Sales	164	50	228.0%		262	(302)	186.8%	
Total Retail Sales	9,900	9,509	4.1%	0.3%	43,668	43,575	0.7%	0.2%
Special Sales	5,138	5,372	(4.4%)		25,181	21,306	18.2%	
Total Consolidated Electric Sales - Duke Energy Progress	15,038	14,881	1.1%		69,049	64,881	6.4%	
Average Number of Customers								
Residential	1,297,292	1,260,852	1.3%		1,291,742	1,274,550	1.3%	
General Service	229,936	227,233	1.2%		229,007	226,069	1.3%	
Industrial	4,115	4,174	(1.4%)		4,136	4,209	(1.7%)	
Other Energy Sales	1,496	1,648	(9.1%)		1,537	1,677	(8.3%)	
Total Regular Sales	1,532,841	1,513,907	1.3%		1,526,422	1,506,535	1.3%	
Special Sales	15	15	—%		15	15	—%	
Total Average Number of Customers - Duke Energy Progress	1,532,856	1,513,922	1.3%		1,526,437	1,506,550	1.3%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	2,062	1,506	36.9%		11,570	12,960	(10.7%)	
Nuclear	6,958	7,638	(8.9%)		29,334	26,108	12.4%	
Hydro	41	193	(78.8%)		490	582	(16.8%)	
Oil and Natural Gas	4,679	5,020	(6.8%)		22,716	22,203	2.3%	
Renewable Energy	31	—	n/a		177	—	n/a	
Total Generation (4)	13,771	14,357	(4.1%)		64,287	61,853	3.9%	
Purchased Power and Net Interchange (5)	1,990	1,022	94.7%		7,381	5,649	30.7%	
Total Sources of Energy	15,761	15,379	2.5%		71,668	67,502	6.2%	
Less: Line Loss and Other	723	498	45.2%		2,619	2,621	(0.1%)	
Total GWh Sources	15,038	14,881	1.1%		69,049	64,881	6.4%	
Owned MW Capacity (3)								
Summer					12,935	12,915		
Winter					14,034	14,019		
Nuclear Capacity Factor (%) (6)								
					94	91		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,013	650	55.8%		2,706	2,654	2.0%	
Cooling Degree Days	78	65	20.0%		2,033	1,844	10.2%	
Variance from Normal								
Heating Degree Days	(11.7%)	(41.5%)	n/a		(9.0%)	(7.8%)	n/a	
Cooling Degree Days	39.3%	4.8%	n/a		23.9%	5.8%	n/a	

(1) Except as indicated in footnote (2), 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.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Florida
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
December 2016

	Three Months Ended December 31,			Years Ended December 31,				
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	4,612	4,732	(2.5%)		20,265	19,932	1.7%	
General Service	3,795	3,903	(2.8%)		15,288	15,304	(0.1%)	
Industrial	816	851	(4.1%)		3,197	3,293	(2.9%)	
Other Energy Sales	6	6	—%		24	24	—%	
Unbilled Sales	(755)	(463)	(63.1%)		(257)	104	(347.1%)	
Total Retail Sales	8,474	9,029	(6.1%)	(0.4%)	38,517	38,657	(0.4%)	0.8%
Special Sales	388	236	64.4%		1,887	1,396	35.2%	
Total Electric Sales - Duke Energy Florida	8,862	9,265	(4.3%)		40,404	40,053	0.9%	
Average Number of Customers								
Residential	1,555,990	1,533,247	1.5%		1,548,681	1,524,320	1.6%	
General Service	196,708	194,265	1.3%		195,728	193,437	1.2%	
Industrial	2,157	2,227	(3.1%)		2,177	2,244	(3.0%)	
Other Energy Sales	1,528	1,534	(0.4%)		1,532	1,537	(0.3%)	
Total Regular Sales	1,756,383	1,731,273	1.5%		1,748,118	1,721,538	1.5%	
Special Sales	14	14	—%		14	14	—%	
Total Average Number of Customers - Duke Energy Florida	1,756,397	1,731,287	1.5%		1,748,132	1,721,552	1.5%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	2,247	1,612	39.4%		8,852	9,718	(8.9%)	
Oil and Natural Gas	5,513	6,135	(10.1%)		24,884	25,263	(1.5%)	
Renewable Energy	3	—	n/a		5	—	n/a	
Total Generation (4)	7,763	7,747	0.2%		33,741	34,981	(3.5%)	
Purchased Power and Net Interchange (5)	1,591	1,937	(17.9%)		8,998	7,217	24.7%	
Total Sources of Energy	9,354	9,684	(3.4%)		42,739	42,198	1.3%	
Less: Line Loss and Other	492	419	17.4%		2,335	2,145	8.9%	
Total GWh Sources	8,862	9,265	(4.3%)		40,404	40,053	0.9%	
Owned MW Capacity (3)								
Summer					8,839	9,101		
Winter					9,732	10,070		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	81	27	200.0%		482	400	20.5%	
Cooling Degree Days	572	765	(25.2%)		3,481	3,742	(7.0%)	
Variance from Normal								
Heating Degree Days	(60.0%)	(86.2%)	n/a		(19.8%)	(32.6%)	n/a	
Cooling Degree Days	22.3%	65.2%	n/a		10.1%	17.0%	n/a	

(1) Except as indicated in footnote (2), 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.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Duke Energy Ohio
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
December 2016

	Three Months Ended December 31,				Years Ended December 31,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	1,897	1,747	8.6%		8,699	8,638	0.7%	
General Service	2,307	2,231	3.4%		9,633	9,512	1.3%	
Industrial	1,467	1,481	(0.9%)		5,945	5,988	(0.7%)	
Other Energy Sales	27	27	—%		109	109	—%	
Unbilled Sales	67	(44)	252.3%		203	(52)	490.4%	
Total Retail Sales	5,765	5,442	5.9%	2.1%	24,589	24,195	1.6%	0.7%
Special Sales	281	299	(6.0%)		574	1,244	(53.9%)	
Total Electric Sales - Duke Energy Ohio	6,046	5,741	5.3%		25,163	25,439	(1.1%)	
Average Number of Customers								
Residential	756,044	748,478	1.0%		753,409	746,757	0.9%	
General Service	87,931	87,298	0.7%		87,625	87,227	0.5%	
Industrial	2,507	2,530	(0.9%)		2,514	2,530	(0.6%)	
Other Energy Sales	3,274	3,231	1.3%		3,258	3,220	1.2%	
Total Regular Sales	849,756	841,537	1.0%		846,806	839,734	0.8%	
Special Sales	1	1	—%		1	1	—%	
Total Average Number of Customers - Duke Energy Ohio	849,757	841,538	1.0%		846,807	839,735	0.8%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	1,017	949	7.2%		3,667	4,402	(16.7%)	
Oil and Natural Gas	4	10	(60.0%)		32	53	(39.6%)	
Total Generation (4)	1,021	959	6.5%		3,699	4,455	(17.0%)	
Purchased Power and Net Interchange (5)	5,507	4,934	11.6%		23,648	22,280	6.1%	
Total Sources of Energy	6,528	5,893	10.8%		27,347	26,735	2.3%	
Less: Line Loss and Other	482	152	217.1%		2,184	1,296	68.5%	
Total GWh Sources	6,046	5,741	5.3%		25,163	25,439	(1.1%)	
Owned MW Capacity (3)								
Summer					1,062	1,062		
Winter					1,164	1,164		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,635	1,316	24.2%		4,483	4,647	(3.5%)	
Cooling Degree Days	55	15	266.7%		1,400	1,109	25.2%	
Variance from Normal								
Heating Degree Days	(12.6%)	(28.0%)	n/a		(9.9%)	(3.6%)	n/a	
Cooling Degree Days	223.5%	(31.8%)	n/a		28.0%	(7.9%)	n/a	

(1) Except as indicated in footnote (2), 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.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Duke Energy Indiana
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
December 2016

	Three Months Ended December 31,				Years Ended December 31,			
	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2016	2015	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	1,981	1,941	7.6%		8,918	8,953	(0.4%)	
General Service	2,020	1,954	3.4%		8,380	8,322	0.7%	
Industrial	2,587	2,591	(0.2%)		10,537	10,492	0.4%	
Other Energy Sales	14	13	7.7%		53	53	—%	
Unbilled Sales	68	(9)	855.6%		170	1	16,900.0%	
Total Retail Sales	6,670	6,390	4.4%	1.4%	28,058	27,821	0.9%	—%
Special Sales	1,074	1,911	(43.8%)		6,310	5,697	10.8%	
Total Electric Sales - Duke Energy Indiana	7,744	8,301	(6.7%)		34,368	33,518	2.5%	
Average Number of Customers								
Residential	711,825	702,979	1.3%		707,782	699,440	1.2%	
General Service	101,057	100,706	0.3%		100,869	100,601	0.3%	
Industrial	2,719	2,715	0.1%		2,721	2,707	0.5%	
Other Energy Sales	1,627	1,583	2.8%		1,615	1,574	2.6%	
Total Regular Sales	817,228	807,983	1.1%		812,987	804,322	1.1%	
Special Sales	7	9	(22.2%)		7	8	(12.5%)	
Total Average Number of Customers - Duke Energy Indiana	817,235	807,992	1.1%		812,994	804,330	1.1%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	4,523	6,079	(25.6%)		24,071	23,372	3.0%	
Hydro	92	103	(10.7%)		343	303	13.2%	
Oil and Natural Gas	607	792	(23.4%)		2,739	2,556	7.2%	
Total Generation (4)	5,222	6,974	(25.1%)		27,153	26,231	3.5%	
Purchased Power and Net Interchange (5)	2,596	1,688	53.8%		8,618	8,529	1.0%	
Total Sources of Energy	7,818	8,662	(9.7%)		35,771	34,760	2.9%	
Less: Line Loss and Other	74	361	(79.5%)		1,403	1,242	13.0%	
Total GWh Sources	7,744	8,301	(6.7%)		34,368	33,518	2.5%	
Owned MW Capacity (3)								
Summer					6,817	7,493		
Winter					7,195	7,871		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,782	1,487	19.8%		4,846	5,202	(6.8%)	
Cooling Degree Days	40	6	566.7%		1,348	1,076	25.3%	
Variance from Normal								
Heating Degree Days	(10.9%)	(24.0%)	n/a		(9.3%)	0.8%	n/a	
Cooling Degree Days	166.7%	(73.9%)	n/a		24.5%	(10.7%)	n/a	

(1) Except as indicated in footnote (2), 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.

(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Gas Utilities and Infrastructure
Quarterly Highlights
December 2016

	Three Months Ended December 31,			Years Ended December 31,		
	2016	2015	% Inc.(Dec.)	2016	2015	% Inc.(Dec.)
Total Sales						
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms) (1) (2)	120,908,508	112,854,663	7.1%	495,122,794	465,670,939	6.3%
Duke Energy Midwest LDC throughput (MCF)	24,846,503	19,495,894	27.4%	81,870,489	84,523,814	(3.1%)
Average Number of Customers - Piedmont Natural Gas (1)						
Residential	934,940	921,239	1.5%	934,523	919,482	1.6%
Commercial	99,354	98,562	0.8%	99,827	98,764	1.1%
Industrial	2,289	2,282	0.3%	2,294	2,297	(0.1%)
Power Generation	25	25	—%	25	25	—%
Total Average Number of Gas Customers - Piedmont Natural Gas	1,036,608	1,022,108	1.4%	1,036,669	1,020,568	1.6%
Average Number of Customers - Duke Energy Midwest						
Residential	478,761	475,254	0.7%	477,729	474,842	0.6%
Commercial	43,196	43,378	(0.4%)	43,124	43,253	(0.3%)
Industrial	1,609	1,627	(1.1%)	1,609	1,619	(0.6%)
Other Energy Sales	142	142	—%	144	142	1.4%
Total Average Number of Gas Customers - Duke Energy Midwest	523,708	520,401	0.6%	522,606	519,856	0.5%

(1) Sales and customer data for Piedmont Natural Gas include amounts prior to the acquisition on October 3, 2016, for comparative purposes. Duke Energy's consolidated financial results do not include Piedmont's results of operations prior to the date of acquisition.

(2) Piedmont has a margin decoupling mechanism in North Carolina and weather normalization mechanisms in South Carolina and Tennessee that significantly eliminate the impact of throughput changes on earnings. Duke Energy Ohio's rate design also serves to offset this impact.

Commercial Renewables
Quarterly Highlights
December 2016

	Three Months Ended December 31,		Years Ended December 31,	
	2016	2015	2016	2015
Actual Renewable Plant Production, GWh	1,946	1,664	7,565	5,577
Net Proportional MW Capacity in Operation	n/a	n/a	2,892	1,943

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended December 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	\$ 483	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 483
Gas Utilities and Infrastructure	89	—	—	—	—	—	89
Commercial Renewables	10	—	—	—	—	—	10
Total Reportable Segment Income	582	—	—	—	—	—	582
International Energy	—	—	—	40	C	40	40
Other	(209)	134	A	18	B	152	(57)
Intercompany Eliminations	1	—	—	—	—	(1)	—
Discontinued Operations	(601)	—	—	(40)	C	641	D
Net Income Attributable to Duke Energy Corporation	\$ (227)	\$ 134	\$ 18	\$ —	\$ 640	\$ 792	\$ 565
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ (0.33)	\$ 0.19	\$ 0.03	\$ —	\$ 0.92	\$ 1.14	\$ 0.81

- A - Net of \$74 million tax benefit. \$10 million recorded within Operating Revenues, \$198 million recorded within Operating Expenses on the Consolidated Statements of Operations.
- B - Net of \$11 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.
- C - Net of \$26 million tax expense. Operating results of the International Disposal Group, which exclude the loss and transaction-related costs described below, recorded within (Loss) Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.
- D - Recorded within (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes a loss on the sale of the International Disposal Group and other transaction-related costs.

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

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

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

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

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

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

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

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

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended December 31, 2015
(Dollars in millions, except per-share amounts)

	Reported Earnings	Costs to Achieve Mergers	Special Items			International Energy Operations	Economic Hedges (Mark-to-Market)	Discontinued Operations	Total Adjustments	Adjusted Earnings
			Edwardsport Settlement	Ash Basin Settlement and Penalties	Cost Savings Initiatives					
SEGMENT INCOME										
Electric Utilities and Infrastructure	\$ 569	\$ —	\$ 2 B	\$ 7 C	\$ 10 D	\$ —	\$ —	\$ —	\$ 19	\$ 588
Gas Utilities and Infrastructure	14	—	—	—	—	—	—	—	—	14
Commercial Renewables	17	—	—	—	1 E	—	1 H	—	2	19
Total Reportable Segment Income	600	—	2	7	11	—	1	—	21	621
International Energy	—	—	—	—	—	56 G	—	—	56	56
Other	(170)	18 A	—	—	77 F	—	—	—	95	(75)
Discontinued Operations	47	—	—	—	—	(56) G	—	9 I	(47)	—
Net Income Attributable to Duke Energy Corporation	\$ 477	\$ 18	\$ 2	\$ 7	\$ 88	\$ —	\$ 1	\$ 9	\$ 125	\$ 602
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.69	\$ 0.03	\$ —	\$ 0.01	\$ 0.13	\$ —	\$ —	\$ 0.01	\$ 0.18	\$ 0.87

A - Net of \$12 million tax benefit. Recorded within Operating Expenses on the Consolidated Statements of Operations.

B - Net of \$1 million tax benefit. \$3 million recorded within Impairment charges on the Duke Energy Indiana Consolidated Statements of Operations.

C - Recorded within Operation, maintenance and other on the Duke Energy Carolinas Consolidated Statements of Operations.

D - Net of \$6 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.

E - Net of \$1 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

F - Net of \$47 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

G - Net of \$29 million tax expense. Operating results of the International Disposal Group classified as discontinued operations.

H - Recorded within Operating Revenues on the Consolidated Statements of Operations.

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

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 688 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2015
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items						Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Mergers	Edwardsport Settlement	Midwest Generation Operations	Ash Basin Settlement and Penalties	Cost Savings Initiatives	International Energy Operations			
SEGMENT INCOME										
Electric Utilities and Infrastructure	\$ 2,819	\$ —	\$ 58 B	\$ —	\$ 11 D	\$ 10 E	\$ —	\$ —	\$ 79	\$ 2,898
Gas Utilities and Infrastructure	73	—	—	—	—	—	—	—	—	73
Commercial Renewables	52	—	—	—	—	1 F	—	—	1	53
Total Reportable Segment Income	2,944	—	58	—	11	11	—	—	80	3,024
International Energy	—	—	—	—	—	—	151 H	—	151	151
Other	(299)	60 A	—	98 C	—	77 G	—	41 I	276	(23)
Discontinued Operations	171	—	—	(98) C	—	—	(151) H	78 J	(171)	—
Net Income Attributable to Duke Energy Corporation	\$ 2,816	\$ 60	\$ 58	\$ —	\$ 11	\$ 88	\$ —	\$ 119	\$ 336	\$ 3,152
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 4.05	\$ 0.09	\$ 0.08	\$ —	\$ 0.02	\$ 0.13	\$ —	\$ 0.17	\$ 0.49	\$ 4.54

- A - Net of \$37 million tax benefit. \$95 million recorded within Operating Expenses and \$2 million recorded within Interest Expense 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 - Net of \$53 million tax expense. Operating results of the nonregulated Midwest generation business classified as discontinued operations, which exclude special items and economic hedges.
- 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 \$6 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 - Net of \$70 million tax expense. Operating results of the International Disposal Group classified as discontinued operations.
- I - State tax expense resulting from the completion of the sale of the nonregulated Midwest generation business.
- 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 Outstanding, Diluted (reported and adjusted) - 694 million

DUKE ENERGY CORPORATION
ADJUSTED EFFECTIVE TAX RECONCILIATION
Three Months and Year Ended December 31, 2016
(Dollars in Millions)

	Three Months Ended December 31, 2016		Year Ended December 31, 2016	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 512		\$ 3,734	
Costs to Achieve Mergers	208		523	
Cost Savings Initiatives	29		92	
Commercial Renewables Impairment	—		71	
International Energy Operations	66		270	
Noncontrolling Interests	(2)		(7)	
Intercompany Eliminations	(1)		(1)	
Adjusted Pretax Income	<u>\$ 812</u>		<u>\$ 4,682</u>	
Reported Income Tax Expense From Continuing Operations	\$ 136	26.6%	\$ 1,156	31.0%
Costs to Achieve Mergers	74		194	
Cost Savings Initiatives	11		35	
Commercial Renewables Impairment	—		26	
International Energy Operations	26		27	
Adjusted Tax Expense	<u>\$ 247</u>	30.4% *	<u>\$ 1,438</u>	30.7% *

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

DUKE ENERGY CORPORATION
ADJUSTED EFFECTIVE TAX RECONCILIATION
Three Months and Year Ended December 31, 2015
(Dollars in Millions)

	Three Months Ended December 31, 2015		Year Ended December 31, 2015	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 612		\$ 3,910	
Costs to Achieve Mergers	30		97	
Edwardsport Settlement	3		93	
Midwest Generation Operations	—		151	
Ash Basin Settlement and Penalties	7		14	
Cost Savings Initiatives	142		142	
International Energy Operations	85		221	
Economic Hedges (Mark-to-Market)	1		—	
Noncontrolling Interests	(3)		(9)	
Adjusted Pretax Income	<u>\$ 877</u>		<u>\$ 4,619</u>	
Reported Income Tax Expense From Continuing Operations	\$ 179	29.2%	\$ 1,256	32.1%
Tax Adjustment Related to Midwest Generation Sale	—		(41)	
Costs to Achieve Mergers	12		37	
Edwardsport Settlement	1		35	
Midwest Generation Operations	—		53	
Ash Basin Settlement and Penalties	—		3	
Cost Savings Initiatives	54		54	
International Energy Operations	29		70	
Adjusted Tax Expense	<u>\$ 275</u>	31.4% *	<u>\$ 1,467</u>	31.8% *


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

**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): February 23, 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

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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On February 23, 2017, Theodore F. Craver, Jr. was appointed to the Board of Directors (the "Board") of Duke Energy Corporation (the "Corporation"), effective March 1, 2017. Mr. Craver was Chairman, President and Chief Executive Officer of Edison International, the parent company of a large California utility and various competitive electric businesses, from 2008 until his retirement in 2016.

The Board has determined that Mr. Craver has no material relationship with Duke Energy or its subsidiaries and is therefore independent under the listing standards of the New York Stock Exchange and the rules and regulations of the Securities and Exchange Commission ("SEC"). Mr. Craver's directorship will expire, along with the Corporation's other directors' terms, at the next annual meeting of shareholders. Mr. Craver has been appointed to the Finance and Risk Management Committee and Regulatory Policy and Operations Committee of the Board, effective March 1, 2017.

As a non-employee director of the Corporation, Mr. Craver will receive a pro-rated payment of the cash and stock annual retainer, will receive meeting fees in accordance with the Corporation's Director Compensation Program, as set forth on Exhibit 10.55 of the Company's Form 10-K, filed with the Securities and Exchange Commission on February 25, 2016, and will be eligible to participate in the Corporation's Directors' Savings Plan, which is described in the Annual Proxy Statement filed with the SEC on March 24, 2016. Mr. Craver is subject to the Corporation's Stock Ownership Guidelines, which require outside directors to own Duke Energy common stock (or common stock equivalents) with a value equal to at least five times the annual cash retainer (i.e., an ownership level of \$450,000) or retain 50% of their vested annual equity retainer until such minimum requirements are met.

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 23, 2017

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

**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, 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))

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 Fourth Quarter 2016 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.

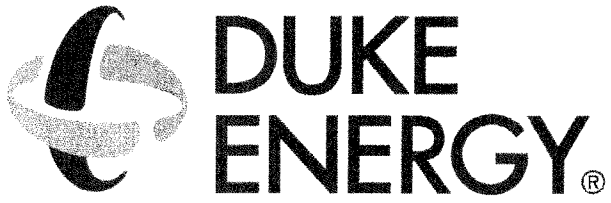
**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC
PIEDMONT NATURAL GAS COMPANY, INC.**

Date: March 15, 2017

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	Fourth Quarter 2016 Statistical Supplement



4th Quarter 2016 Statistical Supplement

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Duke Energy and Piedmont Natural Gas

This Statistical Supplement includes results of Piedmont Natural Gas subsequent to the acquisition on October 3, 2016, and should be read in conjunction with i) Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2016, ii) Piedmont's Form 10-K for the year ended October 31, 2016, and iii) Piedmont's Form 10-QT 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, and the results of the Midwest Generation business that was sold in 2015, previously included in the former Commercial Portfolio segment.

Prior periods have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

Twelve Months Ended December 31, 2016

(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	International Energy	Eliminations / Adjustments	Duke Energy
Operating Revenues							
Regulated electric	\$ 21,366	\$ —	\$ —	\$ —	\$ —	(145)	\$ 21,221
Nonregulated electric and other	—	—	484	127	—	48	659
Regulated natural gas	—	901	—	(10)	—	(28)	863
Total operating revenues	21,366	901	484	117	—	(125)	22,743
Operating Expenses							
Fuel used in electric generation and purchased power	6,595	—	—	51	—	(21)	6,625
Cost of natural gas	—	265	—	—	—	—	265
Operation, maintenance and other	5,293	186	337	371	—	(102)	6,085
Depreciation and amortization	2,897	115	130	152	—	—	3,294
Property and other taxes	1,020	70	25	28	—	(1)	1,142
Impairment charges	16	—	—	2	—	—	18
Total operating expenses	15,821	636	492	604	—	(124)	17,429
(Loss) Gains on Sales of Other Assets and Other, net	—	(1)	5	23	—	—	27
Operating Income (Loss)	5,545	264	(3)	(464)	—	(1)	5,341
Other Income and Expenses							
Equity in earnings (losses) of unconsolidated affiliates ^(a)	5	19	(82)	43	—	—	(15)
Other income and expenses, net	298	5	(1)	32	—	(10)	324
Total Other Income and Expenses	303	24	(83)	75	—	(10)	309
Interest Expense^(b)	1,136	46	53	693	—	(12)	1,916
Income (Loss) from Continuing Operations Before Income Taxes	4,712	242	(139)	(1,082)	—	1	3,734
Income Tax Expense (Benefit) from Continuing Operations	1,672	90	(160)	(446)	—	—	1,156
Income (Loss) from Continuing Operations	3,040	152	21	(636)	—	1	2,578
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(2)	9	—	—	7
Segment Income / Other Net Expense	\$ 3,040	\$ 152	\$ 23	\$ (645)	\$ —	\$ 1	\$ 2,571
Loss from Discontinued Operations, net of tax^(c)							(419)
Net Income Attributable to Duke Energy Corporation							\$ 2,152
Segment Income / Other Net Expense	\$ 3,040	\$ 152	\$ 23	\$ (645)	\$ —	\$ 1	\$ 2,571
Special Items	—	—	45	386	243	(1)	673
Adjusted Earnings^(d)	\$ 3,040	\$ 152	\$ 68	\$ (259)	\$ 243	\$ —	\$ 3,244

- (a) Commercial Renewables includes a pretax impairment charge of \$71 million related to certain equity method investments in wind projects.
- (b) Other includes \$234 million related to Piedmont acquisition financing, primarily due to losses on forward-starting interest rate swaps.
- (c) Includes a loss on the sale of the International Disposal Group and an impairment charge related to certain assets in Central America, partially offset by the operating results of the International Disposal Group and a tax benefit related to previously sold businesses.
- (d) See page 22 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, 2015 ^(a)							Duke Energy
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	International Energy	Eliminations / Adjustments		
Operating Revenues								
Regulated electric	\$ 21,521	\$ —	\$ —	\$ —	\$ —	\$ (142)	\$ 21,379	
Nonregulated electric and other	—	—	286	135	—	35	456	
Regulated natural gas	—	541	—	—	—	(5)	536	
Total operating revenues	21,521	541	286	135	—	(112)	22,371	
Operating Expenses								
Fuel used in electric generation and purchased power	7,308	—	—	48	—	(1)	7,355	
Cost of natural gas	—	141	—	—	—	—	141	
Operation, maintenance and other	5,138	126	197	188	—	(110)	5,539	
Depreciation and amortization	2,735	79	104	135	—	—	3,053	
Property and other taxes	1,013	62	18	35	—	1	1,129	
Impairment charges ^(b)	101	—	3	3	—	(1)	106	
Total operating expenses	16,295	408	322	409	—	(111)	17,323	
Gains on Sales of Other Assets and Other, net	5	6	1	18	—	—	30	
Operating Income (Loss)	5,231	139	(35)	(256)	—	(1)	5,078	
Other Income and Expenses								
Equity in earnings (losses) of unconsolidated affiliates	(2)	1	(6)	76	—	—	69	
Other income and expenses, net	266	2	8	22	—	(8)	290	
Total Other Income and Expenses	264	3	2	98	—	(8)	359	
Interest Expense	1,074	25	44	393	—	(9)	1,527	
Income (Loss) from Continuing Operations Before Income Taxes	4,421	117	(77)	(551)	—	—	3,910	
Income Tax Expense (Benefit) from Continuing Operations^(c)	1,602	44	(128)	(262)	—	—	1,256	
Income (Loss) from Continuing Operations	2,819	73	51	(289)	—	—	2,654	
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	10	—	—	9	
Segment Income (Loss) / Other Net Expense	\$ 2,819	\$ 73	\$ 52	\$ (299)	\$ —	\$ —	\$ 2,645	
Income from Discontinued Operations, net of tax^(d)							171	
Net Income Attributable to Duke Energy Corporation							\$ 2,816	
Segment Income (Loss) / Other Net Expense	\$ 2,819	\$ 73	\$ 52	\$ (299)	\$ —	\$ —	\$ 2,645	
Special Items^(e)	79	—	1	276	151	—	507	
Adjusted Earnings^(f)	\$ 2,898	\$ 73	\$ 53	\$ (23)	\$ 151	\$ —	\$ 3,152	

- (a) Amounts have been recast to conform to the current segment structure.
(b) Electric Utilities and Infrastructure includes a pretax impairment charge of \$88 million related to the Edwardsport settlement.
(c) Other includes a state tax charge of \$41 million resulting from the completion of the sale of the nonregulated Midwest generation business.
(d) Includes results of the International Disposal Group and an after-tax charge of \$53 million related to a settlement agreement reached in a lawsuit related to the Midwest Disposal Group.
(e) Other includes \$98 million for the operating results of the Midwest Generation Disposal Group classified as discontinued operations.
(f) See page 23 for a detailed reconciliation of Segment Income (Loss) / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

December 31, 2016						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 72	\$ 25	\$ 8	\$ 287	\$ —	\$ 392
Receivables, net	451	228	24	47	1	751
Receivables of variable interest entities, net	1,871	—	22	—	—	1,893
Receivables from affiliated companies	25	31	769	3,075	(3,900)	—
Notes receivable from affiliated companies	179	38	—	89	(306)	—
Inventory	3,372	108	17	26	(1)	3,522
Regulatory assets	806	124	—	93	—	1,023
Other	283	31	107	35	2	458
Total current assets	7,059	585	947	3,652	(4,204)	8,039
Investments and Other Assets						
Investments in equity method unconsolidated affiliates	93	566	185	81	—	925
Investments and advances to (from) subsidiaries	234	(7)	9	52,478	(52,714)	—
Nuclear decommissioning trust funds	6,205	—	—	—	—	6,205
Goodwill	17,379	1,924	122	—	—	19,425
Other	1,907	34	117	3,189	(2,495)	2,752
Total investments and other assets	25,818	2,517	433	55,748	(55,209)	29,307
Property, Plant and Equipment						
Cost	106,271	8,922	4,344	1,860	—	121,397
Accumulated depreciation and amortization	(35,788)	(2,047)	(569)	(1,002)	—	(39,406)
Generation facilities to be retired, net	529	—	—	—	—	529
Net property, plant and equipment	71,012	6,875	3,775	858	—	82,520
Regulatory Assets and Deferred Debits						
Regulatory assets	11,590	785	—	503	—	12,878
Other	10	2	—	5	—	17
Total regulatory assets and deferred debits	11,600	787	—	508	—	12,895
Total Assets	115,489	10,764	5,155	60,766	(59,413)	132,761
Segment reclassifications, intercompany balances and other	(496)	(4)	(778)	(58,323)	59,601	—
Segment Assets	\$ 114,993	\$ 10,760	\$ 4,377	\$ 2,443	\$ 188	\$ 132,761

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

December 31, 2016						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 2,301	\$ 233	\$ 57	\$ 403	\$ —	\$ 2,994
Accounts payable to affiliated companies	3,427	5	174	248	(3,854)	—
Notes payable to affiliated companies	143	1	—	186	(330)	—
Notes payable and commercial paper	—	330	—	2,157	—	2,487
Taxes accrued	471	102	(267)	79	(1)	384
Interest accrued	328	38	—	139	(2)	503
Current maturities of long-term debt	986	35	198	1,099	1	2,319
Asset retirement obligations	411	—	—	—	—	411
Regulatory liabilities	404	—	—	5	—	409
Other	1,360	99	53	551	(19)	2,044
Total current liabilities	9,831	843	215	4,867	(4,205)	11,551
Long-Term Debt	28,396	2,445	1,096	13,640	(1)	45,576
Long-Term Debt Payable to Affiliated Companies	618	7	9	1,859	(2,493)	—
Deferred Credits and Other Liabilities						
Deferred income taxes	15,484	1,411	385	(3,124)	(1)	14,155
Investment tax credits	490	3	—	—	—	493
Accrued pension and other post-retirement benefit costs	718	31	—	362	—	1,111
Asset retirement obligations	10,071	42	85	1	1	10,200
Regulatory liabilities	6,111	733	—	37	—	6,881
Other	875	262	273	343	—	1,753
Total deferred credits and other liabilities	33,749	2,482	743	(2,381)	—	34,593
Equity						
Total Duke Energy Corporation stockholders' equity	42,895	4,987	3,072	42,792	(52,713)	41,033
Noncontrolling interests	—	—	20	(11)	(1)	8
Total equity	42,895	4,987	3,092	42,781	(52,714)	41,041
Total Liabilities and Equity	115,489	10,764	5,155	60,766	(59,413)	132,761
Segment reclassifications, intercompany balances and other	(496)	(4)	(778)	(58,323)	59,601	—
Segment Liabilities and Equity	\$ 114,993	\$ 10,760	\$ 4,377	\$ 2,443	\$ 188	\$ 132,761

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2015 ^(a)					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 67	\$ —	\$ 18	\$ 298	\$ —	\$ 383
Receivables, net	459	(6)	5	56	1	515
Receivables of variable interest entities, net	1,708	—	19	20	1	1,748
Receivables from affiliated companies	101	8	250	4,230	(4,589)	—
Notes receivable from affiliated companies	112	—	—	1,131	(1,243)	—
Inventory	3,689	14	18	25	—	3,746
Assets held for sale	—	—	—	746	—	746
Regulatory assets	788	7	—	82	—	877
Other	352	31	117	(191)	(2)	307
Total current assets	7,276	54	427	6,397	(5,832)	8,322
Investments and Other Assets						
Investments in equity method unconsolidated affiliates	57	113	265	64	—	499
Investments and advances to subsidiaries	47	—	11	46,925	(46,983)	—
Nuclear decommissioning trust funds	5,825	—	—	—	—	5,825
Goodwill	15,656	294	122	—	—	16,072
Assets held for sale	—	—	—	2,413	—	2,413
Other	1,961	9	149	1,204	(493)	2,830
Total investments and other assets	23,546	416	547	50,606	(47,476)	27,639
Property, Plant and Equipment						
Cost	102,104	2,584	3,587	1,692	—	109,967
Accumulated depreciation and amortization	(34,723)	(651)	(439)	(923)	—	(36,736)
Generation facilities to be retired, net	548	—	—	—	—	548
Net property, plant and equipment	67,929	1,933	3,148	769	—	73,779
Regulatory Assets and Deferred Debits						
Regulatory assets	10,639	195	—	539	—	11,373
Other	13	—	—	30	—	43
Total regulatory assets and deferred debits	10,652	195	—	569	—	11,416
Total Assets	109,403	2,598	4,122	58,341	(53,308)	121,156
Segment reclassifications, intercompany balances and other	(306)	39	(261)	(52,968)	53,496	—
Segment Assets	\$ 109,097	\$ 2,637	\$ 3,861	\$ 5,373	\$ 188	\$ 121,156

(a) Amounts have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	December 31, 2015 ^(a)					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,827	\$ 41	\$ 106	\$ 376	\$ —	\$ 2,350
Accounts payable to affiliated companies	3,279	66	124	1,010	(4,479)	—
Notes payable to affiliated companies	971	30	—	103	(1,104)	—
Notes payable and commercial paper	—	—	—	3,633	—	3,633
Taxes accrued	422	(4)	(240)	110	1	289
Interest accrued	302	5	1	105	(1)	412
Current maturities of long-term debt	1,073	28	108	817	—	2,026
Liabilities associated with assets held for sale	—	—	—	279	—	279
Regulatory liabilities	396	3	—	—	1	400
Other	1,548	6	37	521	(101)	2,011
Total current liabilities	9,818	175	136	6,954	(5,683)	11,400
Long-Term Debt	24,670	481	968	10,722	1	36,842
Long-Term Debt Payable to Affiliated Companies	618	7	17	—	(642)	—
Deferred Credits and Other Liabilities						
Deferred income taxes	14,305	463	347	(2,568)	1	12,548
Investment tax credits	470	3	—	—	(1)	472
Accrued pension and other post-retirement benefit costs	670	19	—	400	(1)	1,088
Liabilities associated with assets held for sale	—	—	—	900	—	900
Asset retirement obligations	10,160	25	63	1	—	10,249
Regulatory liabilities	6,083	105	—	66	1	6,255
Other	970	63	255	344	(1)	1,631
Total deferred credits and other liabilities	32,658	678	665	(857)	(1)	33,143
Equity						
Total Duke Energy Corporation stockholders' equity	41,639	1,257	2,314	41,500	(46,983)	39,727
Noncontrolling interests	—	—	22	22	—	44
Total equity	41,639	1,257	2,336	41,522	(46,983)	39,771
Total Liabilities and Equity	109,403	2,598	4,122	58,341	(53,308)	121,156
Segment reclassifications, intercompany balances and other	(306)	39	(261)	(52,968)	53,496	—
Segment Liabilities and Equity	\$ 109,097	\$ 2,637	\$ 3,861	\$ 5,373	\$ 188	\$ 121,156

(a) Amounts have been recast to conform to the current segment structure.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2016							
	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	7,322	5,277	4,568	1,410	2,958	—	(169)	21,366
Operating Expenses								
Fuel used in electric generation and purchased power	1,797	1,830	1,814	442	909	—	(197)	6,595
Operation, maintenance and other	1,969	1,423	831	358	704	3	5	5,293
Depreciation and amortization	1,049	694	506	151	493	1	3	2,897
Property and other taxes	276	156	333	199	58	—	(2)	1,020
Impairment charges	1	1	6	—	8	—	—	16
Total operating expenses	5,092	4,104	3,490	1,150	2,172	4	(191)	15,821
(Loss) Gains on Sales of Other Assets and Other, net	(5)	3	1	2	1	—	(2)	—
Operating Income (Loss)	2,225	1,176	1,079	262	787	(4)	20	5,545
Other Income and Expenses, net^(b)	162	71	44	5	22	6	(7)	303
Interest Expense	424	257	212	58	181	—	4	1,136
Income Before Income Taxes	1,963	990	911	209	628	2	9	4,712
Income Tax Expense	693	335	337	55	234	1	17	1,672
Segment Income	\$ 1,270	\$ 655	\$ 574	\$ 154	\$ 394	\$ 1	\$ (8)	\$ 3,040

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$102 million for Duke Energy Carolinas, \$50 million for Duke Energy Progress, \$26 million for Duke Energy Florida, \$5 million for Duke Energy Ohio, and \$16 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2015 ^(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	7,229	5,290	4,977	1,331	2,890	—	(196)	21,521
Operating Expenses								
Fuel used in electric generation and purchased power	1,881	2,029	2,195	446	982	—	(225)	7,308
Operation, maintenance and other	1,923	1,402	810	323	666	3	11	5,138
Depreciation and amortization	1,044	643	473	147	434	—	(6)	2,735
Property and other taxes	269	140	352	190	61	—	1	1,013
Impairment charges ^(c)	1	5	7	—	88	—	—	101
Total operating expenses	5,118	4,219	3,837	1,106	2,231	3	(219)	16,295
(Loss) Gains on Sales of Other Assets and Other, net	(1)	3	—	2	1	—	—	5
Operating Income (Loss)	2,110	1,074	1,140	227	660	(3)	23	5,231
Other Income and Expenses, net^(d)	160	71	24	3	11	2	(7)	264
Interest Expense	412	235	198	53	176	—	—	1,074
Income Before Income Taxes	1,858	910	966	177	495	(1)	16	4,421
Income Tax Expense	682	312	351	59	169	—	29	1,602
Segment Income (Loss)	\$ 1,176	\$ 598	\$ 615	\$ 118	\$ 326	\$ (1)	\$ (13)	\$ 2,819
Special Items	12	5	1	1	60	—	—	79
Adjusted Earnings (Loss)^(e)	\$ 1,188	\$ 603	\$ 616	\$ 119	\$ 386	\$ (1)	\$ (13)	\$ 2,898

- (a) Amounts have been recast to conform to the current segment structure.
(b) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(c) The amount for Duke Energy Indiana relates to the Edwardsport settlement.
(d) 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, \$2 million for Duke Energy Ohio, and \$11 million for Duke Energy Indiana.
(e) See page 23 for a detailed reconciliation of Electric Utilities and Infrastructure Segment Income to Adjusted Earnings.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2016							
	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	\$ 14	\$ 11	\$ 16	\$ 13	\$ 17	\$ —	\$ 1	\$ 72
Receivables, net	160	51	61	72	105	—	2	451
Receivables of variable interest entities, net	645	404	288	—	—	—	534	1,871
Receivables from affiliated companies	163	5	5	72	111	2	(333)	25
Notes receivable from affiliated companies	66	165	—	58	86	—	(196)	179
Inventory	1,055	1,076	641	96	504	—	—	3,372
Regulatory assets	238	188	213	9	149	—	9	806
Other	36	57	125	21	45	—	(1)	283
Total current assets	2,377	1,957	1,349	341	1,017	2	16	7,059
Investments and Other Assets								
Investments in equity method unconsolidated affiliates	—	—	1	—	—	92	—	93
Investments and advances to (from) subsidiaries	52	12	6	161	—	—	3	234
Nuclear decommissioning trust funds	3,273	2,217	715	—	—	—	—	6,205
Goodwill	—	—	—	596	—	—	16,783	17,379
Other	940	523	276	15	142	—	11	1,907
Total investments and other assets	4,265	2,752	998	772	142	92	16,797	25,818
Property, Plant and Equipment								
Cost	41,127	28,419	16,434	5,377	14,241	4	669	106,271
Accumulated depreciation and amortization	(14,365)	(10,561)	(4,644)	(1,892)	(4,317)	(1)	(8)	(35,788)
Generation facilities to be retired, net	—	529	—	—	—	—	—	529
Net property, plant and equipment	26,762	18,387	11,790	3,485	9,924	3	661	71,012
Regulatory Assets and Deferred Debits								
Regulatory assets	3,159	3,243	2,480	348	1,074	—	1,286	11,590
Other	3	2	2	1	1	—	1	10
Total regulatory assets and deferred debits	3,162	3,245	2,482	349	1,075	—	1,287	11,600
Total Assets	36,566	26,341	16,619	4,947	12,158	97	18,761	115,489
Intercompany balances and other	(298)	(188)	(132)	(178)	(53)	(54)	407	(496)
Reportable Segment Assets	\$ 36,268	\$ 26,153	\$ 16,487	\$ 4,769	\$ 12,105	\$ 43	\$ 19,168	\$ 114,993

(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)	December 31, 2016							
	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	\$ 833	\$ 589	\$ 413	\$ 200	\$ 262	\$ —	\$ 4	\$ 2,301
Accounts payable to affiliated companies	247	227	125	13	7	54	2,754	3,427
Notes payable to affiliated companies	—	—	297	18	—	—	(172)	143
Taxes accrued	150	107	37	139	32	1	5	471
Interest accrued	102	102	49	14	61	—	—	328
Current maturities of long-term debt	116	452	326	1	3	—	88	986
Asset retirement obligations	222	189	—	—	—	—	—	411
Regulatory liabilities	161	158	31	15	40	—	(1)	404
Other	467	366	353	82	94	—	(2)	1,360
Total current liabilities	2,298	2,190	1,631	482	499	55	2,676	9,831
Long-Term Debt	9,187	6,409	5,799	1,397	3,633	—	1,971	28,396
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618
Deferred Credits and Other Liabilities								
Deferred income taxes	6,588	3,331	2,695	954	1,902	4	10	15,484
Investment tax credits	203	146	3	1	137	—	—	490
Accrued pension and other post-retirement benefit costs	97	252	262	36	71	—	—	718
Asset retirement obligations	3,673	4,508	778	48	866	—	198	10,071
Regulatory liabilities	2,840	1,946	448	129	748	—	—	6,111
Other	608	51	103	95	27	—	(9)	875
Total deferred credits and other liabilities	14,009	10,234	4,289	1,263	3,751	4	199	33,749
Equity	10,772	7,358	4,900	1,787	4,125	38	13,915	42,895
Total Liabilities and Equity	36,566	26,341	16,619	4,947	12,158	97	18,761	115,489
Intercompany balances and other	(298)	(188)	(132)	(178)	(53)	(54)	407	(496)
Reportable Segment Liabilities and Equity	\$ 36,268	\$ 26,153	\$ 16,487	\$ 4,769	\$ 12,105	\$ 43	\$ 19,168	\$ 114,993

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2015 ^(a)							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(b)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(c)	Electric Utilities and Infrastructure
Current Assets								
Cash and cash equivalents	\$ 13	\$ 15	\$ 8	\$ 21	\$ 9	\$ —	\$ 1	\$ 67
Receivables, net	142	87	60	70	96	—	4	459
Receivables of variable interest entities, net	596	349	308	—	—	—	455	1,708
Receivables from affiliated companies	113	16	85	22	29	3	(167)	101
Notes receivable from affiliated companies	163	—	—	—	83	—	(134)	112
Inventory	1,276	1,088	663	92	570	—	—	3,689
Regulatory assets	305	264	98	19	102	—	—	788
Other	95	113	39	69	15	—	22	352
Total current assets	2,703	1,932	1,261	293	904	3	181	7,276
Investments and Other Assets								
Investments in equity method unconsolidated affiliates	—	—	2	—	—	55	—	57
Investments and advances (from) to subsidiaries	(48)	2	(3)	100	—	—	(4)	47
Nuclear decommissioning trust funds	3,050	2,035	740	—	—	—	—	5,825
Goodwill	—	—	—	596	—	—	14,736	15,656
Other	999	485	289	23	209	—	(44)	1,961
Total investments and other assets	4,001	2,522	1,028	719	209	55	14,688	23,546
Property, Plant and Equipment								
Cost	39,398	27,313	15,343	5,165	14,007	4	874	102,104
Accumulated depreciation and amortization	(13,521)	(10,141)	(4,720)	(1,856)	(4,484)	—	(1)	(34,723)
Generation facilities to be retired, net	—	548	—	—	—	—	—	548
Net property, plant and equipment	25,877	17,720	10,623	3,309	9,523	4	873	67,929
Regulatory Assets and Deferred Debits								
Regulatory assets	2,766	2,667	2,725	311	716	—	1,453	10,639
Other	4	3	2	2	2	—	—	13
Total regulatory assets and deferred debits	2,770	2,670	2,727	313	718	—	1,453	10,652
Total Assets	35,351	24,844	15,639	4,634	11,354	62	17,195	109,403
Intercompany balances and other	(94)	(140)	(105)	(107)	(42)	(50)	232	(306)
Reportable Segment Assets	\$ 35,257	\$ 24,704	\$ 15,534	\$ 4,527	\$ 11,312	\$ 12	\$ 17,427	\$ 109,097

- (a) Amounts have been recast to conform to current segment structure.
(b) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(c) 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)	December 31, 2015 ^(a)							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(b)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(c)	Electric Utilities and Infrastructure
Current Liabilities								
Accounts payable	\$ 753	\$ 399	\$ 322	\$ 161	\$ 189	\$ —	\$ 4	\$ 1,827
Accounts payable to affiliated companies	137	162	106	23	35	51	2,765	3,279
Notes payable to affiliated companies	—	209	813	73	—	—	(123)	971
Taxes accrued	25	15	139	151	92	—	(1)	422
Interest accrued	95	96	43	13	56	—	(1)	302
Current maturities of long-term debt	356	2	13	78	547	—	77	1,073
Regulatory liabilities	39	85	200	9	62	—	1	396
Other	519	412	452	67	97	—	—	1,548
Total current liabilities	1,924	1,380	2,088	575	1,078	51	2,722	9,818
Long-Term Debt	7,711	6,366	4,253	986	3,071	—	2,284	24,670
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618
Deferred Credits and Other Liabilities								
Deferred income taxes	6,163	3,005	2,478	960	1,657	2	40	14,305
Investment tax credits	199	132	—	1	138	—	—	470
Accrued pension and other post-retirement benefit costs	107	262	242	35	80	—	(56)	670
Asset retirement obligations	3,918	4,567	802	99	525	—	249	10,160
Regulatory liabilities	2,802	1,878	509	140	754	—	—	6,083
Other	621	45	146	100	65	—	(7)	970
Total deferred credits and other liabilities	13,810	9,889	4,177	1,335	3,219	2	226	32,658
Equity	11,606	7,059	5,121	1,720	3,836	9	11,963	41,639
Total Liabilities and Equity	35,351	24,844	15,639	4,634	11,354	62	17,195	109,403
Intercompany balances and other	(94)	(140)	(105)	(107)	(42)	(50)	232	(306)
Reportable Segment Liabilities and Equity	\$ 35,257	\$ 24,704	\$ 15,534	\$ 4,527	\$ 11,312	\$ 12	\$ 17,427	\$ 109,097

- (a) Amounts have been recast to conform to the current segment structure.
(b) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(c) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Twelve Months Ended December 31, 2016				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC ^(b)	Mid-Stream Pipelines and Storage ^{(b)(c)}	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	503	398	—	—	901
Operating Expenses					
Cost of natural gas	103	161	—	1	265
Operation, maintenance and other	116	70	2	(2)	186
Depreciation and amortization	80	35	—	—	115
Property and other taxes	59	11	—	—	70
Total operating expenses	358	277	2	(1)	636
Gains on Sales of Other Assets and Other, net	—	—	—	(1)	(1)
Operating Income (Loss)	145	121	(2)	—	264
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	19	—	19
Other income and expenses, net	3	1	2	(1)	5
Total Other Income and Expenses	3	1	21	(1)	24
Interest Expense	27	20	—	(1)	46
Income Before Income Taxes	121	102	19	—	242
Income Tax Expense	44	37	7	2	90
Segment Income	\$ 77	\$ 65	12	(2)	\$ 152

- (a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes Piedmont's results subsequent to the acquisition on October 3, 2016.
(c) 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)	Twelve Months Ended December 31, 2015			
	Duke Energy Ohio ^(a)	Mid-Stream Pipelines	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 541	\$ —	\$ —	\$ 541
Operating Expenses				
Cost of natural gas	141	—	—	141
Operation, maintenance and other	125	1	—	126
Depreciation and amortization	79	—	—	79
Property and other taxes	62	—	—	62
Total operating expenses	407	1	—	408
Gains on Sales of Other Assets and Other, net	7	—	(1)	6
Operating Income (Loss)	141	(1)	(1)	139
Other Income and Expenses	2	—	1	3
Interest Expense	25	—	—	25
Income (Loss) Before Income Taxes	118	(1)	—	117
Income Tax Expense	45	—	(1)	44
Segment Income (Loss)	\$ 73	\$ (1)	\$ 1	\$ 73

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	December 31, 2016				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Mid-Stream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ —	\$ 25	\$ —	\$ —	\$ 25
Receivables, net	(4)	232	—	—	228
Receivables from affiliated companies	21	7	—	3	31
Notes receivable from affiliated companies	38	—	—	—	38
Inventory	41	66	—	1	108
Regulatory assets	6	117	—	1	124
Other	12	21	—	(2)	31
Total current assets	114	468	—	3	585
Investments and Other Assets					
Investments in equity method unconsolidated affiliates	—	—	566	—	566
Investments and advances from subsidiaries	—	—	—	(7)	(7)
Goodwill	324	49	—	1,551	1,924
Other	2	19	12	1	34
Total investments and other assets	326	68	578	1,545	2,517
Property, Plant and Equipment					
Cost	2,748	6,174	—	—	8,922
Accumulated depreciation and amortization	(687)	(1,360)	—	—	(2,047)
Net property, plant and equipment	2,061	4,814	—	—	6,875
Regulatory Assets and Deferred Debits					
Regulatory assets	196	379	—	210	785
Other	—	2	—	—	2
Total regulatory assets and deferred debits	196	381	—	210	787
Total Assets	2,697	5,731	578	1,758	10,764
Intercompany balances and other	(1)	91	—	(94)	(4)
Reportable Segment Assets	\$ 2,696	\$ 5,822	\$ 578	\$ 1,664	\$ 10,760

- (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)	December 31, 2016				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Mid-Stream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 78	\$ 155	\$ —	\$ —	\$ 233
Accounts payable to affiliated companies	4	4	25	(28)	5
Notes payable to affiliated companies	1	—	—	—	1
Notes payable and commercial paper	—	330	—	—	330
Taxes accrued	27	(14)	89	—	102
Interest accrued	5	33	—	—	38
Current maturities of long-term debt	—	35	—	—	35
Regulatory liabilities	6	(6)	—	—	—
Other	3	96	—	—	99
Total current liabilities	124	633	114	(28)	843
Long-Term Debt	462	1,786	—	197	2,445
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Deferred Credits and Other Liabilities					
Deferred income taxes	480	904	28	(1)	1,411
Investment tax credits	2	1	—	—	3
Accrued pension and other post-retirement benefit costs	17	14	—	—	31
Asset retirement obligations	28	14	—	—	42
Regulatory liabilities	108	608	—	17	733
Other	68	194	—	—	262
Total deferred credits and other liabilities	703	1,735	28	16	2,482
Equity	1,401	1,577	436	1,573	4,987
Total Liabilities and Equity	2,697	5,731	578	1,758	10,764
Intercompany balances and other	(1)	91	—	(94)	(4)
Reportable Segment Liabilities and Equity	\$ 2,696	\$ 5,822	\$ 578	\$ 1,664	\$ 10,760

- (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 - Assets
(Unaudited)

(in millions)	December 31, 2015			
	Duke Energy Ohio ^(a)	Mid-Stream Pipelines	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets				
Receivables, net	\$ (6)	\$ —	\$ —	\$ (6)
Receivables from affiliated companies	16	—	(8)	8
Inventory	14	—	—	14
Regulatory assets	7	—	—	7
Other	31	—	—	31
Total current assets	62	—	(8)	54
Investments and Other Assets				
Investments in equity method unconsolidated affiliates	—	113	—	113
Goodwill	324	—	(30)	294
Other	9	—	—	9
Total investments and other assets	333	113	(30)	416
Property, Plant and Equipment				
Cost	2,584	—	—	2,584
Accumulated depreciation and amortization	(651)	—	—	(651)
Net property, plant and equipment	1,933	—	—	1,933
Regulatory Assets and Deferred Debits				
Regulatory assets	195	—	—	195
Total Assets	2,523	113	(38)	2,598
Intercompany balances and other	(20)	—	59	39
Reportable Segment Assets	\$ 2,503	\$ 113	\$ 21	\$ 2,637

- (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)	December 31, 2015			
	Duke Energy Ohio ^(a)	Mid-Stream Pipelines	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities				
Accounts payable	\$ 41	\$ —	\$ —	\$ 41
Accounts payable to affiliated companies	13	61	(8)	66
Notes payable to affiliated companies	30	—	—	30
Taxes accrued	(4)	—	—	(4)
Interest accrued	5	—	—	5
Current maturities of long-term debt	28	—	—	28
Regulatory liabilities	3	—	—	3
Other	6	—	—	6
Total current liabilities	122	61	(8)	175
Long-Term Debt	481	—	—	481
Long-Term Debt Payable to Affiliated Companies	7	—	—	7
Deferred Credits and Other Liabilities				
Deferred income taxes	464	—	(1)	463
Investment tax credits	3	—	—	3
Accrued pension and other post-retirement benefit costs	19	—	—	19
Asset retirement obligations	25	—	—	25
Regulatory liabilities	105	—	—	105
Other	62	—	1	63
Total deferred credits and other liabilities	678	—	—	678
Equity	1,235	52	(30)	1,257
Total Liabilities and Equity	2,523	113	(38)	2,598
Intercompany balances and other	(20)	—	59	39
Reportable Segment Liabilities and Equity	\$ 2,503	\$ 113	\$ 21	\$ 2,637

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances.

**Revenues By Customer Class
(Unaudited)**

(in millions)	Twelve Months Ended December 31, 2016							Eliminations / Adjustments	Total
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont Natural Gas ^(a)			
Regulated Electric Revenues									
Residential	\$ 2,933	\$ 1,897	\$ 2,473	\$ 755	\$ 983	\$ —	\$ —	\$ —	9,041
General service	2,299	1,323	1,373	442	741	—	—	—	6,178
Industrial	1,287	638	251	121	726	—	—	—	3,023
Wholesale	457	1,078	185	20	334	—	—	—	2,074
Change in unbilled	29	22	(11)	13	26	—	—	—	79
Other revenues	317	319	297	59	148	—	(169)	—	971
Total Electric Revenues	\$ 7,322	\$ 5,277	\$ 4,568	\$ 1,410	\$ 2,958	\$ —	\$ (169)	\$ —	21,366
Regulated Natural Gas Revenues									
Residential	\$ —	\$ —	\$ —	\$ 324	\$ —	\$ 154	\$ —	\$ —	478
Commercial	—	—	—	128	—	83	—	—	211
Industrial	—	—	—	18	—	31	—	—	49
Power Generation	—	—	—	—	—	21	—	—	21
Change in unbilled	—	—	—	14	—	74	—	—	88
Other revenues	—	—	—	19	—	35	—	—	54
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 503	\$ —	\$ 398	\$ —	\$ —	901

(a) Includes Piedmont's results subsequent to the acquisition on October 3, 2016.

(in millions)	Twelve Months Ended December 31, 2015						Eliminations / Adjustments	Total
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana			
Regulated Electric Revenues								
Residential	\$ 2,991	\$ 1,943	\$ 2,651	\$ 715	\$ 991	\$ —	\$ —	9,291
General service	2,276	1,339	1,546	433	734	—	—	6,328
Industrial	1,319	664	294	115	734	—	—	3,126
Wholesale	415	1,005	234	37	312	—	—	2,003
Change in unbilled	(15)	(15)	(12)	—	(15)	—	—	(57)
Other revenues	243	354	264	31	134	—	(196)	830
Total Electric Revenues	\$ 7,229	\$ 5,290	\$ 4,977	\$ 1,331	\$ 2,890	\$ —	\$ (196)	21,521
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 362	\$ —	\$ —	\$ —	362
Commercial	—	—	—	148	—	—	—	148
Industrial	—	—	—	21	—	—	—	21
Change in unbilled	—	—	—	(5)	—	—	—	(5)
Other revenues	—	—	—	15	—	—	—	15
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 541	\$ —	\$ —	\$ —	541

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

- A** - Net of \$194 million tax benefit. Includes \$11 million recorded within Operating Revenues, \$278 million recorded within Operating Expenses and \$234 million recorded within Interest Expense on the Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.
- B** - Net of \$35 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.
- C** - Net of \$26 million tax benefit. Other-than-temporary impairment included within Equity in earnings (losses) of unconsolidated affiliates on the Consolidated Statements of Operations.
- D** - Net of \$27 million tax expense. Operating results of the International Disposal Group, which exclude the loss and impairment described below and other miscellaneous transaction-related costs, recorded within (Loss) Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.
- E** - Recorded within (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes a loss on the sale of the International Disposal Group, an impairment charge related to certain assets in Central America, and a tax benefit related to previously sold businesses.

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2015
(Dollars in millions, except per share amounts)

	Special Items									
	Reported Earnings	Costs to Achieve Mergers	Edwardsport Settlement	Midwest Generation Operations	Ash Basin Settlement and Penalties	Cost Savings Initiatives	International Energy Operations	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME										
Electric Utilities and Infrastructure	\$ 2,819	\$ —	\$ 58 B	\$ —	\$ 11 D	\$ 10 E	\$ —	\$ —	\$ 79	\$ 2,898
Gas Utilities and Infrastructure	73	—	—	—	—	—	—	—	—	73
Commercial Renewables	52	—	—	—	—	1 F	—	—	1	53
Total Reportable Segment Income	2,944	—	58	—	11	11	—	—	80	3,024
International Energy	—	—	—	—	—	—	151 H	—	151	151
Other	(299)	60 A	—	98 C	—	77 G	—	41 I	276	(23)
Discontinued Operations	171	—	—	(98) C	—	—	(151) H	78 J	(171)	—
Net Income Attributable to Duke Energy Corporation	\$ 2,816	\$ 60	\$ 58	\$ —	\$ 11	\$ 88	\$ —	\$ 119	\$ 336	\$ 3,152
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 4.05	\$ 0.09	\$ 0.08	\$ —	\$ 0.02	\$ 0.13	\$ —	\$ 0.17	\$ 0.49	\$ 4.54

- A - Net of \$37 million tax benefit. \$95 million recorded within Operating Expenses and \$2 million recorded within Interest Expense 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 - Net of \$53 million tax expense. Operating results of the nonregulated Midwest generation business classified as discontinued operations, which exclude special items and economic hedges.
- 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 \$6 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 - Net of \$70 million tax expense. Operating results of the International Disposal Group classified as discontinued operations.
- I - State tax expense resulting from the completion of the sale of the nonregulated Midwest generation business.
- 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 Outstanding, Diluted (reported and adjusted) - 694 million

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 attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items include certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted 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.

Special items included in the periods presented include the following:

- Costs to achieve mergers represent charges that result from potential or completed strategic acquisitions.
- Cost savings initiatives represents severance charges related to company-wide initiatives to standardize processes and systems, leverage technology and workforce optimization.
- Commercial Renewables Impairment and Asset impairment represent other-than-temporary impairments.
- Edwardsport Settlement and Ash Basin Settlement and Penalties represent charges related to Plea Agreements and settlement agreements with regulators and other governmental entities.

Adjusted earnings also include the operating results of the nonregulated Midwest generation business and Duke Energy Retail Sales (collectively, the Midwest Generation Disposal Group) and the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Groups within adjusted earnings and adjusted diluted EPS results is 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 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 companies may not calculate the measures in the same manner.