

**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 4

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

TAB 36 continued...

**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 16, 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 1.01. Entry into a Material Definitive Agreement.

On March 16, 2017, Duke Energy Corporation (the "Corporation") and its wholly-owned subsidiaries, Duke Energy Carolinas, LLC, Duke Energy Florida, LLC, Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Duke Energy Ohio, Inc., Duke Energy Progress, LLC, and Piedmont Natural Gas Company, Inc. ("Piedmont"), entered into an amendment to the \$6,000,000,000 Credit Agreement, dated as of November 18, 2011 and as amended on December 18, 2013, and January 30, 2015, among the Corporation and each of such subsidiaries (except Piedmont, which became a subsidiary in 2016), as Borrowers, the lenders listed therein, and Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender. The credit facility was originally described and filed in the Corporation's Form 8-K dated November 25, 2011. This amendment was entered into primarily to add Piedmont as a Borrower, to increase the maximum aggregate borrowing amount available to the Borrowers from \$7,500,000,000 to \$8,000,000,000, and to extend the termination date of the facility from January 30, 2020 to March 16, 2022.

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

Item 8.01. Other Events.

Coincident with the credit agreement amendment described in Item 1.01 above, the Corporation increased the size of its commercial paper program from \$4.0 billion to \$4.85 billion. For more information on the commercial paper program, please refer to the Corporation's Form 10-K Annual Report for the year ended December 31, 2016.

Also coincident with the credit facility amendment, Piedmont terminated, in accordance with its terms, the Amended and Restated Credit Agreement dated as of October 1, 2012 among Piedmont, Wells Fargo Bank, National Association, as Administrative Agent, Swing Line Lender, L/C Issuer and a Lender, and Branch Banking and Trust Company, Bank of America, N.A., JPMorgan Chase Bank, N.A., PNC Bank, National Association, U.S. Bank National Association and Royal Bank of Canada, each a Lender.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

10.1 Amendment No. 3 and Consent, dated as of March 16, 2017, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Duke Energy Progress, LLC, Duke Energy Florida, LLC, and Piedmont Natural Gas Company, Inc., the Lenders party thereto, the Issuing Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the 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 17, 2017

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

EXHIBIT INDEX

Exhibit	Description
10.1	Amendment No. 3 and Consent, dated as of March 16, 2017, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Duke Energy Progress, LLC, Duke Energy Florida, LLC, and Piedmont Natural Gas Company, Inc., the Lenders party thereto, the Issuing Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender

Exhibit 10.1

EXECUTION VERSION

AMENDMENT NO. 3 and Consent, dated as of March 16, 2017 (this "**Agreement**"), among DUKE ENERGY CORPORATION (the "**Company**"), DUKE ENERGY CAROLINAS, LLC ("**Duke Energy Carolinas**"), DUKE ENERGY OHIO, INC. ("**Duke Energy Ohio**"), DUKE ENERGY INDIANA, LLC ("**Duke Energy Indiana**"), DUKE ENERGY KENTUCKY, INC. ("**Duke Energy Kentucky**"), DUKE ENERGY PROGRESS, LLC (f/k/a PROGRESS ENERGY CAROLINAS, INC.) ("**Duke Energy Progress**"), DUKE ENERGY FLORIDA, LLC (f/k/a PROGRESS ENERGY FLORIDA, INC.) ("**Duke Energy Florida**") and PIEDMONT NATURAL GAS COMPANY, INC. ("**Piedmont**"), the LENDERS party hereto (the "**Lenders**"), the ISSUING LENDERS party hereto (the "**Issuing Lenders**"), WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent and Swingline Lender.

A. Reference is made to the Credit Agreement dated as of November 18, 2011, (as amended by Amendment No. 1 and Consent dated as of December 18, 2013 and Amendment No. 2 and Consent dated as of January 30, 2015, the "**Existing Credit Agreement**"), among the Company, Duke Energy Carolinas, Duke Energy Ohio, Duke Energy Indiana, Duke Energy Kentucky, Duke Energy Progress and Duke Energy Florida (the "**Existing Borrowers**"), and together with Piedmont, the "**Borrowers**"), the Lenders party thereto (the "**Existing Lenders**") and Wells Fargo Bank, National Association, as administrative agent for the Lenders (in such capacity, the "**Administrative Agent**") and as swingline lender (in such capacity, the "**Swingline Lender**").

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

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

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

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

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

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

"**Assigned Interest**" shall have the meaning assigned to such term in Section 3.

"**Assignee Lender**" shall mean each Lender whose Commitment as shown on Commitment Schedule to the Amended Credit Agreement attached as Annex A hereto is

greater than its existing Commitment immediately prior to the Amendment Effective Date.

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

“*Existing Piedmont Credit Agreement*” shall mean that certain Second Amended and Restated Credit Agreement, dated as of December 14, 2015, among Piedmont, each lender from time to time party thereto, and Wells Fargo Bank, National Association, as administrative agent, swingline lender, and L/C issuer.

SECTION 2. *Amendments to Existing Credit Agreement.* Effective as of the Amendment Effective Date immediately after giving effect to the Assigned Interests in Section 3 of this Agreement, the Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: **double underlined text**) as set forth in the pages of the Amended Credit Agreement attached as Annex A hereto.

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

(ii) On the Amendment Effective Date, subject to the terms and conditions set forth herein, (x) to the extent any Loans or funded Letter of Credit Liabilities are outstanding on such date, each Assignee Lender purchasing and assuming Assigned Interests pursuant to paragraph (i) above shall pay the purchase price for such Assigned Interests pursuant to such paragraph (i) (equal to the principal amount of such outstanding Loans and funded Letter of Credit Liabilities)

with respect to such Assigned Interest) by wire transfer of immediately available funds to the Administrative Agent not later than 12:00 Noon (New York City time), (y) the Existing Borrowers shall pay all accrued and unpaid interest and fees and other amounts accrued to but excluding the Amendment Effective Date for the account of each Departing Lender in respect of such Departing Lender's Assigned Interests (including such amount, if any, as would be payable pursuant to Section 2.13 of the Existing Credit Agreement if the outstanding Loans of such Departing Lender were prepaid in their entirety on the date of consummation of the assignment of the Assigned Interests) by wire transfer of immediately available funds to the Administrative Agent not later than 12:00 Noon (New York City time) and (z) the Administrative Agent shall pay to each of the Departing Lenders selling and assigning such Assigned Interests pursuant to paragraph (i) above, out of the amounts received by the Administrative Agent pursuant to clauses (x) and (y) of this paragraph (ii), the purchase price for the Assigned Interests assigned by such Departing Lender, pursuant to such paragraph (i) and all unpaid interest and fees and other amounts accrued for the account of each Departing Lender to but excluding the Amendment Effective Date by wire transfer of immediately available funds to the account designated by such Departing Lender to the Administrative Agent not later than 5:00 p.m. (New York City time) on the Amendment Effective Date.

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

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

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

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

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

(b) This Agreement constitutes a valid and binding agreement of such Borrower and each Note, if and when executed and delivered by it in accordance with this Agreement, will constitute a valid and binding obligation of such Borrower, in each case enforceable in

accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

(c) Each of the representations and warranties made by such Borrower in Article 4 of the Amended Credit Agreement is true and correct in all material respects on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date (in which case they shall be true and correct on and as of such earlier date); *provided* that any representation and warranty that is qualified by materiality or material adverse effect shall be true and correct in all respects on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date (in which case they shall be true and correct on and as of such earlier date).

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

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

(a) The Administrative Agent shall have received duly executed counterparts of this Agreement from the Borrowers, the Swingline Lender, the Issuing Lenders and the Lenders with Commitments as shown on the Commitment Schedule to the Amended Credit Agreement attached as Annex A hereto consenting to this Agreement.

(b) The Administrative Agent shall have received (a) an opinion of internal counsel of each Borrower, substantially in the form of Exhibit B to the Existing Credit Agreement and (b) an opinion of Robinson, Bradshaw & Hinson, P.A., special counsel for the Borrowers, substantially in the form of Exhibit C to the Existing Credit Agreement, and, in each case, covering such additional matters relating to the transactions contemplated hereby as the Administrative Agent may reasonably request;

(c) The Administrative Agent shall have received a certificate signed by a Vice President, the Treasurer, an Assistant Treasurer or the Controller of the Company, dated the Amendment Effective Date, to the effect set forth in clauses (c) and (d) of Section 4 above;

(d) The Administrative Agent shall have received all documents it may have reasonably requested prior to the Amendment Effective Date relating to the existence of the Borrowers, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent;

(e) The Administrative Agent shall have received all Fees and other amounts due and payable on or prior to the Amendment Effective Date, fees and expenses required to be paid or delivered by the Company on the Amendment Effective Date pursuant to the certain fee letters dated as of February 9, 2017 among the arrangers party thereto, the Lenders named therein and the Company, and to the extent invoiced, reimbursement or payment of all out of pocket expenses required to be reimbursed or paid by the Company hereunder.

(f) The Administrative Agent shall have received evidence reasonably satisfactory to it that all principal of any loans outstanding under, and all accrued interest and fees under, the Existing Piedmont Credit Agreement shall have been paid in full and all commitments thereunder have been terminated (other than the Existing Piedmont Letters of Credit).

(g) The Administrative Agent shall have received, at least three Domestic Business Days prior to the Amendment Effective Date, all documentation and other information about the Borrowers that shall have been reasonably requested by the Administrative Agent in writing at least 10 Domestic Business Days prior to the Amendment Effective Date and that the Administrative Agent reasonably determines is required by United States regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act.

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

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

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

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

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

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

[Remainder of this page intentionally left blank]

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

DUKE ENERGY CORPORATION

By:

/s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

Address: 550 South Tryon Street Charlotte, NC 28202

Attention: Treasury Department

Telecopy number: 704-382-4935

Taxpayer ID: 20-2777218

DUKE ENERGY CAROLINAS, LLC

By:

/s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

Address: 550 South Tryon Street Charlotte, NC 28202

Attention: Treasury Department

Telecopy number: 704-382-4935

Taxpayer ID: 56-0205520

DUKE ENERGY OHIO, INC.

By:

/s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

Address: 550 South Tryon Street Charlotte, NC 28202

Attention: Treasury Department

Telecopy number: 704-382-4935

Taxpayer ID: 31-0240030

[Signature Page to Amendment No. 3 and Consent]

DUKE ENERGY INDIANA, LLC

By:

/s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

Address: 550 South Tryon Street Charlotte, NC 28202

Attention: Treasury Department

Telecopy number: 704-382-4935

Taxpayer ID: 35-0594457

DUKE ENERGY KENTUCKY, INC.

By:

/s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

Address: 550 South Tryon Street Charlotte, NC 28202

Attention: Treasury Department

Telecopy number: 704-382-4935

Taxpayer ID: 31-0473080

DUKE ENERGY PROGRESS, LLC

By:

/s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

Address: 550 South Tryon Street Charlotte, NC 28202

Attention: Treasury Department

Telecopy number: 704-382-4935

Taxpayer ID: 56-0165465

[Signature Page to Amendment No. 3 and Consent]

DUKE ENERGY FLORIDA, LLC

By:

/s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

Address: 550 South Tryon Street Charlotte, NC 28202

Attention: Treasury Department

Telecopy number: 704-382-4935

Taxpayer ID: 59-0247770

PIEDMONT NATURAL GAS COMPANY, INC.

By:

/s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

Address: 550 South Tryon Street Charlotte, NC 28202

Attention: Treasury Department

Telecopy number: 704-382-4935

Taxpayer ID: 56-0556998

[Signature Page to Amendment No. 3 and Consent]

WELLS FARGO BANK, NATIONAL ASSOCIATION, individually and as
Administrative Agent, Issuing Lender and Swingline Lender

By

/s/ Patrick Engel

Name: Patrick Engel

Title: Director

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

Bank of America, N.A., as Lender and Issuing Lender:

By

/s/ William Merritt

Name: William Merritt

Title: Director

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

JP MORGAN CHASE BANK, N.A., as Lender and Issuing Lender:

By /s/ Bridget Killackey

Name: Bridget Killackey

Title: Executive Director

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

MIZUHO BANK, LTD., as Lender and Issuing Lender:

By /s/ Daniel Guevara

Name: Daniel Guevara

Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

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

By /s/ Chen Xu

Name: Chen Xu

Title: President & CEO

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

Barclays Bank PLC, as Lender and Issuing Lender:

By /s/ May Huang

Name: May Huang

Title: Assistant Vice President

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

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

By /s/ Richard Rivera

Name: Richard Rivera

Title: Vice President

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Lender and Issuing Lender:

By /s/ Robert Hetu

Name: Robert Hetu
Title: Authorized Signatory

By /s/ Szymon Ordys

Name: Szymon Ordys
Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

ROYAL BANK OF CANADA, as Lender and Issuing Lender:

By /s/ Rahul D. Shah

Name: Rahul D. Shah

Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

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

By /s/ Robert MacFarlane

Name: Robert MacFarlane
Title: Director

By _____

Name:
Title:

Commitment under Amended Credit Agreement:

\$400,000,000.00

[Signature Page to Amendment No. 3 and Consent]

BNP Paribas, as Lender:

By /s/ Theodore Sheen

Name: Theodore Sheen

Title: Director

By /s/ Karima Omar

Name: Karima Omar

Title: Vice President

Commitment under Amended Credit Agreement:

\$325,000,000.00

[Signature Page to Amendment No. 3 and Consent]

GOLDMAN SACHS BANK USA, as Lender:

By /s/ Josh Rosenthal

Name: Josh Rosenthal

Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$325,000,000.00

[Signature Page to Amendment No. 3 and Consent]

MORGAN STANLEY BANK, N.A., as Lender:

By /s/ Michael King

Name: Michael King

Title: Authorized Signatory

Commitment under Amended Credit Agreement:

\$325,000,000.00

[Signature Page to Amendment No. 3 and Consent]

SUNTRUST BANK, as Lender:

By /s/ Arize Agumadu
Name: Arize Agumadu
Title: Vice President

Commitment under Amended Credit Agreement:

\$325,000,000.00

TD Bank, N.A., as Lender:

By /s/ Betty Chang
Name: Betty Chang
Title: Senior Vice President

Commitment under Amended Credit Agreement:

\$325,000,000.00

The Bank of Nova Scotia, as Lender:

By /s/ David Dewar
Name: David Dewar
Title: Director

Commitment under Amended Credit Agreement:

\$325,000,000.00

U.S. BANK NATIONAL ASSOCIATION, as Lender:

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

Commitment under Amended Credit Agreement:

\$325,000,000.00

UBS AG, STAMFORD BRANCH, as Lender:

By /s/ Housseem Daly
Name: Housseem Daly
Title: Associate Director
Banking Products Services, US

By /s/ Darlene Arias
Name: Darlene Arias
Title: Director

Commitment under Amended Credit Agreement:

\$325,000,000.00

Branch Banking & Trust Company, as Lender:

By /s/ Kelly Attayek

Name: Kelly Attayek

Title: Assistant Vice President

Commitment under Amended Credit Agreement:

\$175,000,000.00

KEYBANK NATIONAL ASSOCIATION, as Lender:

By /s/ Lisa A. Ryder

Name: Lisa A. Ryder

Title: Senior Vice President

Commitment under Amended Credit Agreement:

\$175,000,000.00

PNC Bank, National Association, as Lender:

By /s/ Jon R. Hinard

Name: Jon R. Hinard

Title: Managing Director

Commitment under Amended Credit Agreement:

\$175,000,000.00

REGIONS BANK, as Lender:

By /s/ Brian Walsh
Name: Brian Walsh
Title: Director

By _____
Name:
Title:

Commitment under Amended Credit Agreement:

\$175,000,000.00

BANCO SANTANDER, S.A., NEW YORK BRANCH, as Lender:

By /s/ Rita Walz-Cuccioli
Name: Rita Walz-Cuccioli
Title: Executive Director
Banco Santander, S.A., New York Branch

By /s/ Terence Corcoran
Name: Terence Corcoran
Title: Senior Vice President
Banco Santander, S.A., New York Branch

Commitment under Amended Credit Agreement:

\$175,000,000.00

Sumitomo Mitsui Banking Corporation, as Lender:

By /s/ James D. Weinstein

Name: James D. Weinstein

Title: Managing Director

Commitment under Amended Credit Agreement:

\$175,000,000.00

The Bank of New York Mellon, as Lender:

By /s/ Richard K. Fronapfel, Jr. _____

Name: Richard K. Fronapfel, Jr.

Title: Vice President

Commitment under Amended Credit Agreement:

\$175,000,000.00

The Northern Trust Company, as Lender:

By /s/ John C. Canty

Name: John C. Canty

Title: Senior Vice President

Commitment under Amended Credit Agreement:

\$175,000,000.00

ANNEX A

AMENDED CREDIT AGREEMENT

~~\$7,500,000,000~~ \$8,000,000,000

CREDIT AGREEMENT

dated as of
November 18, 2011
as Amended by Amendment No. 1 and Consent, dated as of December 18, 2013,
~~and~~ Amendment No. 2 and Consent, dated as of January 30, 2015 and
Amendment No. 3 and Consent, dated as of March 16, 2017
among

Duke Energy Corporation
Duke Energy Carolinas, LLC
Duke Energy Ohio, Inc.
Duke Energy Indiana, ~~Inc.~~ LLC
Duke Energy Kentucky, Inc.
Duke Energy Progress, ~~Inc.~~ and LLC
Duke Energy Florida, LLC and
~~Duke Energy Florida~~ Piedmont Natural Gas Company, Inc.,
as Borrowers,

The Lenders Listed Herein,

Wells Fargo Bank, National Association,
as Administrative Agent,

and

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

and

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

Wells Fargo Securities, LLC
Merrill Lynch, Pierce, Fenner & Smith Incorporated ⁽¹⁾
JPMorgan Chase Bank, N.A.
Mizuho Bank, Ltd.
Bank of China, New York Branch
Barclays Bank PLC
Citigroup Global Markets, Inc.
Credit Suisse Securities (USA) LLC
~~J.P. Morgan Securities, LLC~~
~~Merrill Lynch, Pierce, Fenner & Smith Incorporated~~
~~RBS Securities Inc.~~
The Bank of Tokyo-Mitsubishi UFJ, Ltd. and

(1) Merrill Lynch, Pierce, Fenner & Smith Incorporated shall mean Merrill Lynch, Pierce, Fenner & Smith Incorporated or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement.

RBC Capital Markets(2),
UBS Securities LLC and
Wells Fargo Securities, LLC,
as Joint Lead Arrangers and Joint Bookrunners

(2) RBC Capital Markets is a brand name for the capital markets businesses of Royal Bank of Canada and its affiliates.

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CREDIT AGREEMENT

AGREEMENT dated as of November 18, 2011 (as amended by Amendment No. 1 and Consent, dated as of December 18, 2013 ~~and~~, Amendment No. 2 and Consent, dated as of January 30, 2015 ~~and Amendment No. 3 and Consent, dated as of March 16, 2017~~) among DUKE ENERGY CORPORATION, DUKE ENERGY CAROLINAS, LLC, DUKE ENERGY OHIO, INC., DUKE ENERGY INDIANA, ~~INC, LLC~~, DUKE ENERGY KENTUCKY, INC., DUKE ENERGY PROGRESS, ~~INC, LLC~~ (f/k/a PROGRESS ENERGY CAROLINAS, INC.) ~~and~~, DUKE ENERGY FLORIDA, ~~INC, LLC~~ (f/k/a PROGRESS ENERGY FLORIDA, INC.) ~~and~~ PIEDMONT NATURAL GAS COMPANY, INC., as Borrowers, the Lenders from time to time party hereto, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, BANK OF AMERICA, N.A., JPMORGAN CHASE BANK, N.A. and ~~THE ROYAL MIZUHO BANK OF SCOTLAND PLC, LTD.~~, as Co-Syndication Agents, and BANK OF CHINA, NEW YORK BRANCH, BARCLAYS BANK PLC, CITIBANK, N.A., CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. and ~~UBS SECURITIES LLC~~ ROYAL BANK OF CANADA, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

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

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

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

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

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

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

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

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

“**Amendment No. 3**” shall mean that certain Amendment No. 3, dated as of March 16, 2017, among the Borrowers, the lenders party thereto and the Administrative Agent.

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

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

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

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

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

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

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

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

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“**Bail-In Legislation**” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the

Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding (or any similar proceeding), or generally fails to pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business or assets appointed for it, or, in the good faith determination of the Administrative Agent (or, if the Administrative Agent is the subject of the Bankruptcy Event, the Required Lenders), has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that (except with respect to a Lender that is subject to a Bail-In Action) a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Base Rate” means, for any day for which the same is to be calculated, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 1/2 of 1% and (c) the LIBOR Market Index Rate plus 1%; provided, that, if the Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Each change in the Base Rate shall take effect simultaneously with the corresponding change in the rates described in clauses (a), (b) or (c) above, as the case may be.

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

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

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

Borrower, the aggregate amount of its Letter of Credit Liabilities in respect of such Borrower and the amount of its Swingline Exposure in respect of such Borrower at such time.

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

“Borrowing” has the meaning set forth in Section 1.03.

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

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

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

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

“**Commitment Schedule**” means the Commitment Schedule attached hereto.

“**Commitment Termination Date**” means, for each Lender, ~~January 30, 2020~~ March 16, 2022, as such date may be extended from time to time with respect to such Lender pursuant to Section 2.01(b) or, if such day is not a Euro-Dollar Business Day, the next preceding Euro-Dollar Business Day.

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

“**Connection Income Taxes**” means, with respect to any Lender or Agent, taxes that are imposed on or measured by net income (however denominated), franchise taxes or branch profits taxes, in each case, imposed as a result of a connection (including any former connection) between such Lender or Agent and the jurisdiction imposing such tax (other than connections arising from such Lender or Agent having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any Note, or sold or assigned an interest in any Loan, this Agreement or any Note).

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

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

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

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

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

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

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

Defaulting Lender upon delivery of written notice of such determination to the Company and each Lender.

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

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

“Domestic Lending Office” means, as to each Lender, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Lender may hereafter designate as its Domestic Lending Office by notice to the Borrowers and the Administrative Agent.

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

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

“Duke Energy Indiana” means Duke Energy Indiana, ~~inc~~-LLC, an Indiana corporation.

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

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

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

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

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

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

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

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

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

“**EEA Financial Institution**” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“**EEA Member Country**” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

“**EEA Resolution Authority**” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

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

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

“**Equity Preferred Securities**” means, with respect to any Borrower, any trust preferred securities or deferrable interest subordinated debt securities issued by such

Borrower or any Subsidiary or other financing vehicle of such Borrower that (i) have an original maturity of at least twenty years and (ii) require no repayments or prepayments and no mandatory redemptions or repurchases, in each case, prior to the first anniversary of the latest Commitment Termination Date.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

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

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

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

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

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

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

“**Euro-Dollar Reserve Percentage**” has the meaning set forth in Section 2.16.

“**Event of Default**” has the meaning set forth in Section 6.01.

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

“**Existing Duke Credit Agreement**” means the Amended and Restated Credit Agreement dated as of November 18, 2011, among the Borrowers party thereto, the

banks party thereto, and Wells Fargo Bank National Association, as administrative agent (as amended, amended and restated, supplemented or otherwise modified prior to the Third Amendment Effective Date).

“**Existing Duke Letter of Credit**” means each letter of credit outstanding under the Existing Duke Credit Agreement on the Initial Third Amendment Effective Date.

“**Existing Piedmont Credit Agreement**” shall mean that certain Second Amended and Restated Credit Agreement, dated as of December 14, 2015, among Piedmont, each lender from time to time party thereto, and Wells Fargo Bank, National Association, as administrative agent, swingline lender, and L/C issuer.

“**Existing Piedmont Letter of Credit**” means each letter of credit outstanding under the Existing Piedmont Credit Agreement on the Third Amendment Effective Date.

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

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

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

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

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

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

“**Federal Funds Rate**” means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System ~~arranged by Federal funds brokers on such day,~~ as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day; *provided* that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day and (ii) if no such rate is so

published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Wells Fargo on such day on such transactions as determined by the Administrative Agent; provided further, that, if the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. .

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

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

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

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

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

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

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

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

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

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

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

<u>Borrower</u>	<u>Initial Sublimit</u>
Company	\$3,200,000,000 <u>\$3,400,000,000</u>
Duke Energy Carolinas	\$1,200,000,000 <u>\$1,100,000,000</u>
Duke Energy Progress	\$1,000,000,000
Duke Energy Florida	\$900,000,000 <u>\$950,000,000</u>
Duke Energy Indiana	\$600,000,000
<u>Piedmont</u>	<u>\$500,000,000</u>
Duke Energy Ohio	\$475,000,000 <u>\$300,000,000</u>
Duke Energy Kentucky	\$125,000,000 <u>\$150,000,000</u>

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

- (a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day; and
- (b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically

corresponding day in the calendar month at the end of such Interest Period) shall end on the last Euro-Dollar Business Day of a calendar month; *provided further* that no Interest Period applicable to any Loan of any Lender may end after such Lender's Commitment Termination Date.

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

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

"Issuing Lender" means (i) each of ~~Wells Fargo, Bank of America, N.A., JPMorgan Chase Bank, N.A., Mizuho Bank, Ltd., Bank of China, New York Branch, Barclays Bank PLC, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, JPMorgan Chase Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., The and Royal Bank of Scotland plc, UBS AG, Stamford Branch and Wells Fargo Canada and~~, and (ii) any other Lender that may agree to issue letters of credit hereunder, in each case as issuer of a Letter of Credit hereunder. No Issuing Lender shall be obligated to issue any Letter of Credit hereunder if, after giving effect thereto, the aggregate Letter of Credit Liabilities in respect of all Letters of Credit issued by such Issuing Lender hereunder would exceed (i) in the case of each Issuing Lender named in clause (i) above, ~~\$80,000,000~~ 40,000,000 (as such amount may be modified from time to time by agreement between the Company and such Issuing Lender) or (ii) with respect to any other Issuing Lender, such amount (if any) as may be agreed for this purpose from time to time by such Issuing Lender and the Company. For avoidance of doubt, the limitations in the preceding sentence are for the exclusive benefit of the respective Issuing Lenders, are incremental to the other limitations specified herein on the availability of Letters of Credit and do not affect such other limitations.

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

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

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

"Letter of Credit" means a stand-by letter of credit issued or to be issued hereunder by an Issuing Lender in accordance with Section 2.15, including ~~the Existing~~

~~Duke Letters of Credit and, on and after the Second Third Amendment Effective Date, the Existing Progress-Duke Letters of Credit and the Existing Piedmont Letters of Credit.~~

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

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

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

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

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

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

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

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

“**Material Subsidiary**” means at any time, with respect to any Borrower, any Subsidiary of such Borrower whose total assets exceeds 15% of the total assets (after intercompany eliminations) of such Borrower and its Subsidiaries, determined on a

consolidated basis in accordance with GAAP, all as reflected in the consolidated financial statements of such Borrower most recently delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or 5.01(b).

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

<u>Borrower</u>	<u>Maximum Sublimit</u>
Company	\$4,700,000,000 \$4,850,000,000
Duke Energy Carolinas	\$1,800,000,000
Duke Energy Progress	\$1,400,000,000
Duke Energy Florida	\$1,200,000,000
Duke Energy Indiana	\$1,000,000,000
<u>Piedmont</u>	<u>\$850,000,000</u>
Duke Energy Ohio	\$725,000,000
Duke Energy Kentucky	\$175,000,000

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

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

“**Moody’s**” means Moody’s Investors Service, Inc. (or any successor thereto).

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

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

“**Non-Recourse Indebtedness**” means any Indebtedness incurred by a Subsidiary of the Company to develop, construct, own, improve or operate a defined facility or project (a) as to which no Borrower (i) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness but

excluding tax sharing arrangements and similar arrangements to make contributions to such Subsidiary to account for tax benefits generated by such Subsidiary), (ii) is directly or indirectly liable as a guarantor or otherwise, or (iii) constitutes the lender; (b) no default with respect to which would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Loans or the Notes) of any Borrower to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (c) as to which the lenders will not have any recourse to the stock or assets of any Borrower or other Subsidiary (other than the stock of or intercompany loans to such Subsidiary); provided that in each case in clauses (a) and (c) above, a Borrower or other Subsidiary may provide credit support and recourse in an amount not exceeding 15% in the aggregate of any such Indebtedness.

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

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

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

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

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

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

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

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

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

“Payment Date” has the meaning set forth in Section 2.15(d).

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

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

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

“Piedmont” means Piedmont Natural Gas Company, Inc., a North Carolina corporation.

“Plan” means at any time an employee pension benefit plan which is covered by Title IV of ERISA or Sections 412 or 430 of the Internal Revenue Code or Sections 302 and 303 of ERISA and is either (i) maintained by a member of the ERISA Group for employees of a member of the ERISA Group or (ii) maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“Pricing Schedule” means the Pricing Schedule attached hereto.

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

“Progress Borrowers” means Duke Energy Florida and Duke Energy Progress.

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

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

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

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

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

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

“Revolving Credit Loan” means a loan made or to be made by a Lender pursuant to Section 2.01(a); *provided* that, if any such loan or loans (or portions thereof) are

combined or subdivided pursuant to a Notice of Interest Rate Election, the term "Revolving Credit Loan" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

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

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

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

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

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

~~**"S&P"** means Standard & Poor's Rating Financial Services LLC, a division of The McGraw-Hill Companies, Inc. subsidiary of S&P Global Inc. (or any successor thereto).~~

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

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

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

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

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

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

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

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

“**Third Amendment Effective Date**” means March 16, 2017, being the date on which Amendment No. 3 became effective.

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

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

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

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

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

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

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

“**Write-Down and Conversion Powers**” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution

Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

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

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

ARTICLE 2 THE CREDITS

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

(b) *Extension of Commitments.* (i) The Company may, so long as no Default then exists and the representations and warranties of the Borrowers contained herein are true and correct at the time of notice, upon notice to the Administrative Agent not less than 60 days but no more than 90 days prior to any anniversary of the ~~Second~~ Third Amendment Effective Date, propose to extend the Commitment Termination Dates for an additional one-year period measured from the Commitment Termination Dates then in effect; *provided* that there shall be no more than two such extensions. The Administrative Agent shall promptly notify the Lenders of receipt of such request. Each Lender shall endeavor to respond to such request, whether affirmatively or negatively (such determination in the sole discretion of such Lender), by notice to the Company and the Administrative Agent within 30 days. Subject to the execution by the Borrowers, the Administrative Agent and such Lenders of a duly completed Extension Agreement in substantially the form of Exhibit E, the Commitment Termination Date applicable to the Commitment of each Lender so affirmatively notifying the Company and the Administrative Agent shall be extended for the period specified above; *provided* that no Commitment Termination Date of any Lender shall be extended unless Lenders having Commitments in an aggregate amount equal to at least 51% of the Commitments in effect at the time any such extension is requested shall have elected so to extend their Commitments.

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

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

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

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

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

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

(c) Unless the Administrative Agent shall have received notice from a Lender prior to 1:00 P.M. (Eastern time) on the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available to the Administrative Agent on the date of such Borrowing in accordance with subsection (b) of this Section 2.03 and the Administrative Agent may, in reliance upon such assumption,

make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such share available to the Administrative Agent, such Lender and, if such Lender shall not have made such payment within two Domestic Business Days of demand therefor, the Borrower agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.06 and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Loan included in such Borrowing for purposes of this Agreement.

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

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

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

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

Section 2.05. *Maturity of Loans.* Each Revolving Credit Loan made by any Lender shall mature, and the principal amount thereof shall be due and payable together with

accrued interest thereon, on the earlier of the Commitment Termination Date of such Lender and the applicable Borrower Maturity Date (if any).

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

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

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

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

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

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

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

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

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

~~Section 2.092.08.~~ *Optional Termination or Reduction of Sublimits; Changes to Sublimits.* (a) The Company may, upon not less than three Domestic Business Days' notice to the Administrative Agent, reallocate amounts of the Commitments among the respective Sublimits of the Borrowers (*i.e.*, reduce the Sublimits of one or more Borrowers and increase the Sublimits of one or more other Borrowers by the same aggregate amount); *provided* (i) each Sublimit shall be a multiple of \$5,000,000 at all times, (ii) a Borrower's Sublimit may not be reduced to an amount less than the sum of the aggregate outstanding principal amount of Loans to such Borrower plus the aggregate amount of Letter of Credit Liabilities in respect of Letters of Credit issued for its account,

(iii) a Borrower's Sublimit may not be increased to an amount greater than its Maximum Sublimit, (iv) the sum of the Sublimits of the respective Borrowers shall at all times equal the aggregate amount of the Commitments and (v) any such increase in a Borrower's Sublimit shall be accompanied or preceded by evidence reasonably satisfactory to the Administrative Agent as to appropriate corporate authorization therefor.

(b) Each Borrower other than the Company may, upon at least three Domestic Business Days' notice to the Administrative Agent, reduce its Sublimit (i) to zero, if no Loans to it or Letter of Credit Liabilities for its account are outstanding or (ii) by an amount of \$10,000,000 or any larger multiple of \$5,000,000 so long as, after giving effect to such reduction, its Sublimit is not less than the sum of the aggregate principal amount of Loans outstanding to it and the aggregate Letter of Credit Liabilities outstanding for its account. Upon any reduction in the Sublimit of a Borrower to zero pursuant to this Section 2.08(b), such Borrower shall cease to be a Borrower hereunder. The aggregate amount of the Commitments will be automatically and simultaneously reduced by the amount of each reduction in any Sublimit pursuant to this Section 2.08(b) or pursuant to Section 6.01.

~~Section 2.102.09.~~ *Method of Electing Interest Rates.* (a) The Loans included in each Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject in each case to the provisions of Article 8 and the last sentence of this subsection (a)), as follows:

(i) if such Loans are Base Rate Loans, the Borrower may elect to convert such Loans to Euro-Dollar Loans as of any Euro-Dollar Business Day; and

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

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

(b) Each Notice of Interest Rate Election shall specify:

(i) the Group of Loans (or portion thereof) to which such notice applies;

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

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

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

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

Section ~~2.11~~2.10. *Mandatory Termination of Commitments*. The Commitment of each Lender shall terminate on such Lender’s Commitment Termination Date.

Section ~~2.12~~2.11. *Optional Prepayments*. (a) The Borrower may (i) upon notice to the Administrative Agent not later than 11:00 A.M. (Eastern time) on any Domestic Business Day prepay on such Domestic Business Day any Group of Base Rate Loans and (ii) upon at least three Euro-Dollar Business Days’ notice to the Administrative Agent not later than 11:00 A.M. (Eastern time) prepay any Group of Euro-Dollar Loans, in each case in whole at any time, or from time to time in part in amounts aggregating \$5,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment and together with any additional amounts payable pursuant to Section 2.13. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Lenders included in such Group or Borrowing.

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

Section ~~2.13~~2.12. *General Provisions as to Payments*. (a) The Borrower shall make each payment of principal of, and interest on, the Loans and of fees hereunder, not later

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

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

~~Section 2.142.13.~~ *Funding Losses.* If the Borrower makes any payment of principal with respect to any Euro-Dollar Loan (other than payments made by an Assignee pursuant to Section 8.06(a) or by the Borrower pursuant to Section 8.06(b) in respect of a Defaulting Lender's Euro-Dollar Loans) or any Euro-Dollar Loan is converted to a Base Rate Loan or continued as a Euro-Dollar Loan for a new Interest Period (pursuant to Article 2, 6 or 8 or otherwise) on any day other than the last day of an Interest Period applicable thereto, or if the Borrower fails to borrow, prepay, convert or continue any Euro-Dollar Loans after notice has been given to any Lender in accordance with Section 2.03(a), 2.09(c) or 2.11(b), the Borrower shall reimburse each Lender within 15 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or conversion or failure to borrow, prepay, convert or continue; *provided* that such Lender shall have delivered to the Borrower a certificate setting forth in reasonable detail the calculation of the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

Section ~~2.14~~2.14. *Computation of Interest and Fees.* Interest based on clause (a) of the definition of Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and all fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

Section ~~2.15~~2.15. *Letters of Credit.*

(a) Subject to the terms and conditions hereof, each Issuing Lender agrees to issue Letters of Credit hereunder, in form and substance reasonably satisfactory to such Issuing Lender and the Administrative Agent, from time to time until the fifth Domestic Business Day prior to its Commitment Termination Date upon the request and for the account of any Borrower; *provided* that, immediately after each Letter of Credit is issued, (i) the Utilization Limits shall not be exceeded and (ii) the aggregate amount of the Letter of Credit Liabilities shall not exceed \$800,000,000. Upon the date of issuance by the Issuing Lender of a Letter of Credit, the Issuing Lender shall be deemed, without further action by any party hereto, to have sold to each Lender, and each Lender shall be deemed, without further action by any party hereto, to have purchased from the Issuing Lender, a participation to the extent of its Percentage in such Letter of Credit and the related Letter of Credit Liabilities.

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

automatically renewed unless notice of termination is given by the Issuing Lender of such Letter of Credit, the Issuing Lender shall timely give notice of termination if (i) as of close of business on the seventeenth day prior to the last day upon which the Issuing Lender's notice of termination may be given to the beneficiaries of such Letter of Credit, the Issuing Lender has received a notice of termination from the Borrower or a notice from the Administrative Agent that the conditions to issuance of such Letter of Credit have not been satisfied or (ii) the renewed Letter of Credit would have a term not permitted by subsection (c) below.

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

(d) Upon receipt from the beneficiary of any applicable Letter of Credit of any notice of a drawing under such Letter of Credit, the Issuing Lender shall notify the Administrative Agent and the Administrative Agent shall promptly notify the Borrower and each other Lender as to the amount to be paid as a result of such demand or drawing and the payment date such payment is to be made by the Issuing Lender (the "Payment Date"). The Borrower shall be irrevocably and unconditionally obligated forthwith to reimburse the Issuing Lender for any amounts paid by the Issuing Lender upon any drawing under any Letter of Credit without presentment, demand, protest or other formalities of any kind. Such reimbursement shall be due on the Payment Date; provided that no such payment shall be due from the Borrower any earlier than the date of receipt by it of notice of its obligation to make such payment (or, if such notice is received by the Borrower after 12:00 Noon (Eastern time) on any date, on the next succeeding Domestic Business Day). All such amounts paid by the Issuing Lender and remaining unpaid by the Borrower shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the Base Rate for such day plus, if such amount remains unpaid for more than two Domestic Business Days, 1%. In addition, each Lender will pay to the Administrative Agent, for the account of the applicable Issuing Lender, immediately upon such Issuing Lender's demand at any time during the period commencing after such drawing until reimbursement therefor in full by the Borrower, an amount equal to such Lender's ratable share of such drawing (in proportion to its participation therein), together with interest on such amount for each day from the date of the Issuing Lender's demand for such payment (or, if such demand is made after 12:00 Noon (Eastern time) on such date, from the next succeeding Domestic Business Day) to the date of payment by such Lender of such amount at a rate of interest per annum equal to the Federal Funds Rate and, if such amount remains unpaid for more than five Domestic Business Days after the Issuing Lender's demand for such payment, at a rate of interest per annum equal to the Base Rate plus 1%. The Issuing Lender will pay to each Lender ratably all amounts received from the Borrower for application in payment of its reimbursement obligations in respect of any Letter of Credit, but only to the extent such Lender has made payment to the Issuing Lender in respect of such Letter of Credit pursuant hereto.

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

- (i) the use which may be made of the Letter of Credit by, or any acts or omission of, a beneficiary of a Letter of Credit (or any Person for whom the beneficiary may be acting);
- (ii) the existence of any claim, set-off, defense or other rights that the Borrower may have at any time against a beneficiary of a Letter of Credit (or any Person for whom the beneficiary may be acting), the Lenders (including the Issuing Lender) or any other Person, whether in connection with this Agreement or the Letter of Credit or any document related hereto or thereto or any unrelated transaction;
- (iii) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (iv) payment under a Letter of Credit to the beneficiary of such Letter of Credit against presentation to the Issuing Lender of a draft or certificate that does not comply with the terms of the Letter of Credit; *provided* that the determination by the Issuing Lender to make such payment shall not have been the result of its willful misconduct or gross negligence as determined by a court of competent jurisdiction; ~~or~~
- (v) any other act or omission to act or delay of any kind by any Lender (including the Issuing Lender), the Administrative Agent or any other Person or any other event or circumstance whatsoever that might, but for the provisions of this subsection (v), constitute a legal or equitable discharge of the Borrower's or the Lender's obligations hereunder; or
- (vi) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein.
- (f) The Borrower hereby indemnifies and holds harmless each Lender (including the Issuing Lender) and the Administrative Agent from and against any and all claims, damages, losses, liabilities, costs or expenses which such Lender or the Administrative Agent may incur (including, without limitation, any claims, damages, losses, liabilities, costs or expenses which the Issuing Lender may incur by reason of or in connection with (i) the failure of any other Lender to fulfill or comply with its obligations to such Issuing Lender hereunder (but nothing herein contained shall affect any rights the Borrower may have against any Defaulting Lender) or (ii) any litigation arising with respect to any Letter of Credit issued under this Agreement (whether or not the Issuing Lender shall prevail in such litigation)), and none of the Lenders (including the Issuing Lender) nor the Administrative Agent nor any of their officers or directors or employees or agents shall be liable or responsible, by reason of or in connection with the execution and delivery or transfer of or payment or failure to pay under any Letter of Credit, including without limitation any of the circumstances enumerated in subsection 2.15(e) above, as well as (i) any error, omission, interruption or delay in transmission or delivery of any messages, by mail, facsimile or otherwise, (ii) any loss or delay in the transmission of any document required in order to make a drawing under a Letter of Credit and (iii) any consequences arising from causes beyond the control of the Issuing

Lender, including, without limitation, any government acts or any other circumstances whatsoever, in making or failing to make payment under such Letter of Credit; *provided* that the Borrower shall not be required to indemnify the Issuing Lender for any claims, damages, losses, liabilities, costs or expenses, and the Borrower shall have a claim for direct (but not consequential) damage suffered by it, to the extent found by a court of competent jurisdiction to have been caused by (x) the willful misconduct or gross negligence of the Issuing Lender in determining whether a request presented under any Letter of Credit complied with the terms of such Letter of Credit or (y) the Issuing Lender's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of the Letter of Credit. Nothing in this subsection 2.15(f) is intended to limit the obligations of the Borrower under any other provision of this Agreement. To the extent the Borrower does not indemnify the Issuing Lender as required by this subsection, the Lenders agree to do so ratably in accordance with their Commitments.

(g) The Issuing Lender shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the Issuing Lender shall have all of the benefits and immunities (i) provided to the Administrative Agent in Article 7 (other than Sections 7.08 and 7.09) with respect to any acts taken or omissions suffered by the Issuing Lender in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article 7 included the Issuing Lender with respect to such acts or omissions and (ii) as additionally provided herein with respect to the Issuing Lender.

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

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

of Credit), the Borrower shall Cash Collateralize all outstanding Long-Dated Letters of Credit (or such Long-Dated Letter or Credit).

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

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

(l) In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

~~Section 2.17~~ 2.16. Regulation D Compensation. In the event that a Lender is required to maintain reserves of the type contemplated by the definition of "Euro-Dollar Reserve Percentage", such Lender may require the Borrower to pay, contemporaneously with each payment of interest on the Euro-Dollar Loans, additional interest on the related Euro-Dollar Loan of such Lender at a rate per annum determined by such Lender up to but not exceeding the excess of (i) (A) the applicable London Interbank Offered Rate divided by (B) one *minus* the Euro-Dollar Reserve Percentage over (ii) the applicable London Interbank Offered Rate. Any Lender wishing to require payment of such additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Euro-Dollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Euro-Dollar Business Days after the giving of such notice and (y) shall notify the Borrower at least three Euro-Dollar Business Days prior to each date on which interest is payable on the Euro-Dollar Loans of the amount then due it under this Section. Each such notification shall be accompanied by such information as the Borrower may reasonably request.

"Euro-Dollar Reserve Percentage" means for any day, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the

maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of “Eurocurrency liabilities” (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents).

Section ~~2.17~~2.17. *Increase in Commitments; Additional Lenders.* (a) Subsequent to the Initial Effective Date, and so long as no Default then exists or would result therefrom and the representations and warranties of the Borrowers contained herein are true and correct at such time, the Company may, upon at least 30 days’ notice to the Administrative Agent (which shall promptly provide a copy of such notice to the Lenders), propose to increase the aggregate amount of the Commitments in an aggregate amount of up to ~~\$1,500,000,000~~\$2,000,000,000 (the amount of any such increase, the “**Increased Commitments**”). Each Lender party to this Agreement at such time shall have the right (but no obligation), for a period of 15 days following receipt of such notice, to elect by notice to the Company and the Administrative Agent to increase its Commitment hereunder.

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

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

Upon any increase in the aggregate amount of the Commitments pursuant to this Section 2.17, (i) the respective Letter of Credit Liabilities and Swingline Exposures of the Lenders shall be redetermined as of the effective date of such increase and (ii) within five Domestic Business Days, in the case of any Group of Base Rate Loans then outstanding, and at the end of the then current Interest Period with respect thereto, in the case of any Group of Euro-Dollar Loans then outstanding, the Borrower shall prepay such Group of

Loans in its entirety and, to the extent the Borrower elects to do so and subject to the conditions specified in Article 3, the Borrower shall reborrow Revolving Credit Loans from the Lenders in proportion to their respective Commitments after giving effect to such increase, until such time as all outstanding Revolving Credit Loans are held by the Lenders in such proportion. In connection with any increase in the aggregate amount of the Commitments pursuant to this Section, (i) the respective Sublimits of the Borrowers shall be increased by an equal aggregate amount as the Company may direct by notice to the Administrative Agent, subject to the limitations set forth in Section 2.08(a), and (ii) the amount of the Maximum Sublimit of each Borrower shall increase ratably on a percentage basis by the same percentage as the Commitments are increased.

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

(b) *Swingline Borrowing Procedure.* The Borrower shall give the Swingline Lender notice not later than 2:00 P.M. (Eastern time) on the date of each Swingline Loan, specifying the amount of such Loan and the date of such borrowing, which shall be a Domestic Business Day. Not later than 3:00 P.M. (Eastern time) on the date of each Swingline Loan, the Swingline Lender shall, unless it determines that any applicable condition specified in Article 3 has not been satisfied, make available the amount of such Swingline Loan, in Federal or other immediately available funds, to the Borrower at the Swingline Lender's address specified in or pursuant to Section 9.01.

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

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

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

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

(g) *Payments.* All payments to any Swingline Lender under this Section ~~2.092.18~~ shall be made to it at its address specified in or pursuant to Section 9.01 in Federal or other immediately available funds, not later than 3:00 P.M. (Eastern time) on the date of payment.

(h) *Refunding Unpaid Swingline Loans.* If (w) any Swingline Loan is not paid in full on its maturity date and the Swingline Lender so requests, (x) the Swingline Loans become immediately due and payable pursuant to Article 6, (y) the Commitments terminate at a time any Swingline Loans are outstanding, or (z) requested by the Swingline Lender by written notice given to the Administrative Agent not later than 10:00 A.M. (Eastern time) on any Business Day, the Administrative Agent shall, by notice to the Lenders (including the Swingline Lender, in its capacity as a Lender), require each Lender to pay to the Administrative Agent for the account of the Swingline Lender an amount equal to such Lender's Percentage of the aggregate unpaid principal amount of the Swingline Loans described in clause (w), (x), (y) or (z) above, as the case may be. Such notice shall specify the date on which such payments are to be made, which shall be the first Domestic Business Day after such notice is given. Not later than 3:00 P.M. (Eastern time) on the date so specified, each Lender shall pay the amount so notified to it to the Administrative Agent at its address specified in or pursuant to Section 9.01, in Federal or other funds immediately available in New York City. Promptly upon receipt thereof, the Administrative Agent shall remit such amounts to the Swingline Lender. The amount so paid by each Lender shall constitute a Base Rate Loan to the Borrower and shall be applied by the Swingline Lender to repay the outstanding Swingline Loans.

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

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

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

~~Section 2.20~~2.19. *Defaulting Lenders.* If any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender, to the extent permitted by applicable law:

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

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

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

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within two Domestic Business Days following notice by the Administrative Agent Cash Collateralize (or in the case of Swingline

Exposure, prepay) for the benefit of the Issuing Lender or Swingline Lender, as applicable, only the Borrower's obligations corresponding to such Defaulting Lender's Letter of Credit Liabilities and Swingline Exposure, as applicable, (after giving effect to any partial reallocation pursuant to clause (i) above) for so long as such Letter of Credit Liabilities and Swingline Exposure remain outstanding;

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

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

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

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

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

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

- (i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder;
- (ii) second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Lender or Swingline Lender hereunder;
- (iii) third, to Cash Collateralize the Letter of Credit Liabilities and Swingline Exposure of such Defaulting Lender in accordance with Section 2.19(b) (including to replace any Cash Collateral previously provided by the Borrower);
- (iv) fourth, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent;
- (v) fifth, if so determined by the Administrative Agent and the Company, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the future Letter of Credit Liabilities and Swingline Exposure of such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.19(b);
- (vi) sixth, to the payment of any amounts owing to the Lenders, the Issuing Lenders or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuing Lender or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement;
- (vii) seventh, so long as no Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by any Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and
- (viii) eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 3.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments without giving effect to Section 2.19(b).

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

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

ARTICLE 3
CONDITIONS

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

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

(f) receipt by the Administrative Agent of evidence reasonably satisfactory to it that all principal of any loans outstanding under, and all accrued interest and fees under, the Existing Credit Agreement shall have been paid in full;

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

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

(a) the Merger Effective Date shall have occurred;

(b) receipt by the Administrative Agent of counterparts of the Joinder Agreement signed by each of the Progress Borrowers (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it of facsimile or other written confirmation from such party of execution of a counterpart hereof by such party);

(c) receipt by the Administrative Agent of (i) an opinion of internal counsel of each Progress Borrower, substantially in the form of Exhibit B hereto and (ii) an opinion of Robinson, Bradshaw & Hinson, P.A., special counsel for the Borrowers, substantially in the form of Exhibit C hereto, and, in each case, covering such additional matters relating to the transactions contemplated hereby as the Required Lenders may reasonably request;

(d) receipt by the Administrative Agent of (i) a certificate signed by a Vice President, the Treasurer, an Assistant Treasurer or the Controller of the Company, dated the Second Effective Date, to the effect set forth in clause (c) of Section 3.03 with respect to the Company and (ii) a certificate signed by a Vice President, the Treasurer, an Assistant Treasurer or the Controller of the Progress Borrowers, dated the Second Effective Date, to the effect set forth in clauses (c) and (d) of Section 3.03 (without giving effect to the parenthetical in such clause (d)) with respect to the Progress Borrowers;

(e) receipt by the Administrative Agent of evidence reasonably satisfactory to it that all principal of any loans outstanding under, and all accrued interest and fees under, the Existing Progress Credit Agreements and the Existing Progress Parent LC Facility shall have been paid in full;

(f) receipt by the Administrative Agent of the executed Progress Energy, Inc. Consent in the form attached hereto as Exhibit I;

(g) receipt by the Administrative Agent of all documents it may have reasonably requested relating to the existence of the Progress Borrowers, the corporate

authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent; and

(h) receipt by the Administrative Agent of evidence satisfactory to it that the upfront fees, ticking fees and expenses payable by the Company on the Second Effective Date have been paid;

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

Section 3.03. *Borrowings and Issuance of Letters of Credit.* The obligation of any Lender to make a Loan on the occasion of any Borrowing by any Borrower and the obligation of any Issuing Lender to issue (or renew or extend the term of) any Letter of Credit at the request of any Borrower is subject to the satisfaction of the following conditions:

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

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

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

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

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

Section 4.02. *Corporate and Governmental Authorization; No Contravention.* The execution, delivery and performance by such Borrower of this Agreement and the Notes are within such Borrower's powers, have been duly authorized by all necessary company action, require no action by or in respect of, or filing with, any Governmental Authority (except for consents, authorizations or filings which have been obtained or made, as the case may be, and are in full force and effect) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the articles of incorporation, by-laws, certificate of formation or the limited liability company agreement of such Borrower or of any material agreement, judgment, injunction, order, decree or other instrument binding upon such Borrower or result in the creation or imposition of any Lien on any asset of such Borrower or any of its Material Subsidiaries.

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

Section 4.04. *Financial Information.* (a) The consolidated balance sheet of such Borrower and its Consolidated Subsidiaries as of December 31, 2013~~2016~~ and the related consolidated statements of income, cash flows, capitalization and retained earnings for the fiscal year then ended, reported on by Deloitte & Touche, copies of which have been delivered to each of the Lenders by using such Borrower's Syndtrak site or otherwise made available, fairly present in all material respects, in conformity with generally accepted accounting principles, the consolidated financial position of such Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

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

~~results of operations and changes in financial position for such nine-month period (subject to normal year-end adjustments and the absence of footnotes); [Reserved].~~

(c) Since December 31, ~~2013~~2016, there has been no material adverse change in the business, financial position or results of operations of such Borrower and its Consolidated Subsidiaries, considered as a whole, except as publicly disclosed prior to the ~~Second~~Third Amendment Effective Date.

Section 4.05. *Regulation U.* Such Borrower and its Material Subsidiaries are not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System) and no proceeds of any Borrowing by and no issuance of Letters of Credit for the account of such Borrower will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. Not more than 25% of the value of the assets of such Borrower and its Material Subsidiaries is represented by margin stock.

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

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

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

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

ARTICLE 5
COVENANTS

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

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

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

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

- (c) within the maximum time period specified for the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of an Approved Officer of such Borrower (i) setting forth in reasonable detail the calculations required to establish whether such Borrower was in compliance with the requirements of Section 5.10 on the date of such financial statements and (ii) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which such Borrower is taking or proposes to take with respect thereto;
- (d) within five days after any officer of such Borrower with responsibility relating thereto obtains knowledge of any Default, if such Default is then continuing, a certificate of an Approved Officer of such Borrower setting forth the details thereof and the action which such Borrower is taking or proposes to take with respect thereto;
- (e) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which such Borrower shall have filed with the Securities and Exchange Commission;
- (f) if and when any member of such Borrower's ERISA Group (i) gives or is reasonably expected to give notice to the PBGC of any "**reportable event**" (as defined in Section 4043 of ERISA) with respect to any Material Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Material Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Material Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose material liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Material Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Material Plan pursuant to Section 4063 of ERISA, a copy of such notice; (vii) receives notice of the cessation of operations at a facility of any member of the ERISA Group in the circumstances described in Section 4062(e) of ERISA; or (viii) fails to make any payment or contribution to any Material Plan or makes any amendment to any Material Plan which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer or the chief accounting officer of such Borrower setting forth details as to such occurrence and action, if any, which such Borrower or applicable member of the ERISA Group is required or proposes to take;
- (g) promptly, notice of any change in the ratings of such Borrower referred to in the Pricing Schedule; and

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

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

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

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

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

Section 5.04. *Maintenance of Existence.* Such Borrower will preserve, renew and keep in full force and effect, and will cause each of its Material Subsidiaries to preserve, renew and keep in full force and effect their respective corporate or other legal existence and their respective rights, privileges and franchises material to the normal conduct of their respective businesses; *provided* that nothing in this Section 5.04 shall prohibit the

termination of any right, privilege or franchise of such Borrower or any such Material Subsidiary or of the corporate or other legal existence of any such Material Subsidiary, or the change in form of organization of such Borrower or any such Material Subsidiary, if such Borrower in good faith determines that such termination or change is in the best interest of such Borrower, is not materially disadvantageous to the Lenders and, (i) in the case of a change in the form of organization of such Borrower, the Administrative Agent has consented thereto and (ii) in the case of a change in the jurisdiction of such Borrower to a jurisdiction outside of the United States, the Lenders have consented thereto.

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

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

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

- (a) Liens granted by such Borrower existing as of the Initial Effective Date, securing Indebtedness outstanding on the date of this Agreement in an aggregate principal amount not exceeding \$100,000,000;
- (b) the Lien of such Borrower's Mortgage Indenture (if any) securing Indebtedness outstanding on the Initial Effective Date or issued thereafter;
- (c) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into such Borrower and not created in contemplation of such event;
- (d) any Lien existing on any asset prior to the acquisition thereof by such Borrower and not created in contemplation of such acquisition;
- (e) any Lien on any asset securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset; *provided* that such

Lien attaches to such asset concurrently with or within 180 days after the acquisition thereof;

- (f) any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of the foregoing clauses of this Section; *provided* that such Indebtedness is not increased (except by accrued interest, prepayment premiums and fees and expenses incurred in connection with such refinancing, extension, renewal or refunding) and is not secured by any additional assets;
- (g) Liens for taxes, assessments or other governmental charges or levies not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with generally accepted accounting principles;
- (h) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by law, created in the ordinary course of business and for amounts not past due for more than 60 days or which are being contested in good faith by appropriate proceedings which are sufficient to prevent imminent foreclosure of such Liens, are promptly instituted and diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with generally accepted accounting principles;
- (i) Liens incurred or deposits made in the ordinary course of business (including, without limitation, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations or arising as a result of progress payments under government contracts;
- (j) easements (including, without limitation, reciprocal easement agreements and utility agreements), rights-of-way, covenants, consents, reservations, encroachments, variations and other restrictions, charges or encumbrances (whether or not recorded) affecting the use of real property;
- (k) Liens with respect to judgments and attachments which do not result in an Event of Default;
- (l) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases (permitted under the terms of this Agreement), public or statutory obligations, surety, stay, appeal, indemnity, performance or other obligations arising in the ordinary course of business;
- (m) other Liens including Liens imposed by Environmental Laws arising in the ordinary course of its business which (i) do not secure Indebtedness, (ii) do not secure any obligation in an amount exceeding \$100,000,000 at any time at which Investment Grade Status does not exist as to such Borrower and (iii) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

- (n) Liens securing obligations under Hedging Agreements entered into to protect against fluctuations in interest rates or exchange rates or commodity prices and not for speculative purposes, provided that such Liens run in favor of a Lender hereunder or a Person who was, at the time of issuance, a Lender;
- (o) Liens not otherwise permitted by the foregoing clauses of this Section on assets of such Borrower securing obligations in an aggregate principal or face amount at any date not to exceed 15% of the Consolidated Net Assets of such Borrower;
- (p) Liens on the fuel used by the Progress Borrowers in their power generating businesses; and
- (q) Liens on regulatory assets up to the amount approved by state legislatures and/or regulatory orders.

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

Section 5.09. *Use of Proceeds.* The proceeds of the Loans and Letters of Credit made under this Agreement will be used by such Borrower for its general corporate purposes, including liquidity support for commercial paper and acquisitions. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any "margin stock" within the meaning of Regulation U. None of such proceeds will be used (i) for the purpose of knowingly financing the activities of or any transactions with any Sanctioned Person or in any country, region or territory that is the subject of Sanctions applicable to the Company and its Subsidiaries and where the financed activity would be prohibited by such applicable Sanctions, at the time of such financing or (ii) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws.

Section 5.10. *Indebtedness/Capitalization Ratio.* The ratio of Consolidated Indebtedness of such Borrower to Consolidated Capitalization of such Borrower as at the end of any fiscal quarter of such Borrower will not exceed 65%; provided that the ratio of Consolidated Indebtedness of Piedmont to Consolidated Capitalization of Piedmont as at the end of any fiscal quarter of Piedmont will not exceed 70%.

ARTICLE 6
DEFAULTS

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

- (a) such Borrower shall fail to pay when due any principal of any Loan to it or any Reimbursement Obligation owed by it or shall fail to pay, within five days of the due date thereof, any interest, fees or any other amount payable by it hereunder;
- (b) such Borrower shall fail to observe or perform any covenant contained in Sections 5.01(d), 5.04, 5.07, 5.08, 5.10 or the second or third sentence of 5.09, inclusive;
- (c) such Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after notice thereof has been given to such Borrower by the Administrative Agent at the request of any Lender;
- (d) any representation, warranty, certification or statement made by such Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made (or deemed made);
- (e) such Borrower or any of its Material Subsidiaries shall fail to make any payment in respect of Material Debt (other than Loans to and Reimbursement Obligations of such Borrower hereunder) when due or within any applicable grace period;
- (f) any event or condition shall occur and shall continue beyond the applicable grace or cure period, if any, provided with respect thereto so as to result in the acceleration of the maturity of Material Debt;
- (g) such Borrower or any of its Material Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or shall fail generally to, pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;
- (h) an involuntary case or other proceeding shall be commenced against such Borrower or any of its Material Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such

involuntary case or other proceeding shall remain undismissed and unstayed for a period of 90 days; or an order for relief shall be entered against such Borrower or any of its Material Subsidiaries under the federal bankruptcy laws as now or hereafter in effect;

(i) any member of such Borrower's ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of \$150,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans of such ERISA Group having aggregate Unfunded Vested Liabilities in excess of \$150,000,000 (collectively, a "**Material Plan**") shall be filed under Title IV of ERISA by any member of such ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Material Plan or a proceeding shall be instituted by a fiduciary of any such Material Plan against any member of such ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 90 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any such Material Plan must be terminated;

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

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

then, and in every such event, the Administrative Agent shall (i) if requested by Lenders having more than 66-2/3% in aggregate amount of the Commitments, by notice to such Borrower terminate the Commitments as to such Borrower and they shall thereupon terminate, and such Borrower shall no longer be entitled to borrow hereunder, and the

Sublimit of such Borrower shall be reduced to zero, and (ii) if requested by Lenders holding more than 66-2/3% in aggregate principal amount of the Loans and Reimbursement Obligations of such Borrower, by notice to such Borrower declare such Loans and Reimbursement Obligations (together with accrued interest thereon) to be, and such Loans and Reimbursement Obligations (together with accrued interest thereon) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower; *provided* that in the case of any of the Events of Default specified in clause (g) or (h) above with respect to such Borrower, without any notice to such Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall thereupon terminate with respect to such Borrower and the Loans and Reimbursement Obligations of such Borrower (together with accrued interest thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower.

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

Section 6.03. *Cash Collateral.* Each Borrower agrees, in addition to the provisions of Section 6.01 hereof, that upon the occurrence and during the continuance of any Event of Default with respect to such Borrower, it shall, if requested by the Administrative Agent upon the instruction of the Lenders having at least 66 2/3% in the aggregate amount of the Commitments (or, if the Commitments shall have been terminated, holding at least 66 2/3% of the Letter of Credit Liabilities for the account of such Borrower), Cash Collateralize all Letters of Credit for the account of such Borrower then outstanding at such time; *provided* that upon the occurrence of any Event of Default specified in Section 6.01(g) or 6.01(h) with respect to such Borrower, such Borrower shall do so forthwith without any notice or demand or any other act by the Administrative Agent or the Lenders.

ARTICLE 7 THE ADMINISTRATIVE AGENT

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

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

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

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

Section 7.05. *Liability of Administrative Agent.* Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be liable to any Lender for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Lenders or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any Borrower; (iii) the satisfaction of any condition specified in Article 3, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Administrative Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, facsimile or similar writing) believed by it in good faith to be genuine or to be signed by the proper party or parties. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

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

Section 7.07. *Credit Decision.* Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently

and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

Section 7.08. *Successor Administrative Agent.*

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

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

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

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

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

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

ARTICLE 8
CHANGE IN CIRCUMSTANCES

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

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

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

the Administrative Agent shall forthwith give notice thereof to the Borrowers and the Lenders, whereupon until the Administrative Agent notifies the Borrowers that the circumstances giving rise to such suspension no longer exist, (i) the obligations of the Lenders to make Euro-Dollar Loans or to continue or convert outstanding Loans as or into Euro-Dollar Loans shall be suspended and (ii) each outstanding Euro-Dollar Loan shall be converted into a Base Rate Loan on the last day of the then current Interest Period applicable thereto. Unless the Borrower notifies the Administrative Agent at least one Domestic Business Day before the date of any Euro-Dollar Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, such Borrowing shall instead be made as a Base Rate Borrowing.

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

Section 8.03. *Increased Cost and Reduced Return.* (a) If any Change In Law (i) shall impose, modify or deem applicable any reserve, special deposit, compulsory loan,

insurance charge or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended by, any Lender (or its Applicable Lending Office); (ii) shall subject any Lender or Agent to any taxes (other than (A) Taxes, (B) taxes described in clauses (ii), (iii) or (iv) of the exclusions from the definition of Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or (iii) shall impose on any Lender (or its Applicable Lending Office) or on the London interbank market any other condition, cost or expense affecting its Euro-Dollar Loans, its Note or its obligation to make Euro-Dollar Loans or its obligations hereunder in respect of Letters of Credit and the result of any of the foregoing is to increase the cost to such Lender (or its Applicable Lending Office) of making or maintaining any Euro-Dollar Loan (or, in the case of an adoption or change with respect to taxes, any Loan) or of issuing or participating in any Letter of Credit, or to reduce the amount of any sum received or receivable by such Lender (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Lender to be material, then, within 15 days after demand by such Lender (with a copy to the Administrative Agent), each Borrower shall pay to such Lender its Appropriate Share of such additional amount or amounts as will compensate such Lender for such increased cost or reduction; *provided* that no such amount shall be payable with respect to any period commencing more than 90 days prior to the date such Lender first notifies the Borrowers of its intention to demand compensation therefor under this Section 8.03(a).

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

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

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

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

“**FATCA**” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is ~~substantially~~ substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code. For purposes of this Section 8.04, “applicable law” includes FATCA.

“**Taxes**” means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings including any interest, additions to tax or penalties applicable thereto with respect to any payment by or on account of any obligation of a Borrower pursuant to this Agreement or any Note, ~~and all liabilities with respect thereto,~~ *excluding* (i) in the case of each Lender and the Administrative Agent, taxes imposed on its income, net worth or gross receipts and franchise or similar taxes imposed on it by a jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or in which its principal executive office is located or, in the case of each Lender, in which its Applicable Lending Office is located, (ii) in the case of each Lender, any United States withholding tax imposed on such payments except to the extent that (A) such Lender is subject to United States withholding tax by reason of a U.S. Tax Law Change or (B) in the case of a Lender not listed on the signature pages hereof or a Participant, amounts with respect to such Taxes were payable pursuant to Section 8.04 to such Lender’s assignor or to such Participant’s participating Lender immediately before such Lender or Participant acquired the applicable interest in a Loan or Commitment; (iii) Taxes attributable to such Lender’s or Administrative Agent’s failure to comply with Section 8.04(d) or (e) and (iv) any U.S. ~~Federal~~ federal withholding Taxes imposed under FATCA.

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

“**U.S. Tax Law Change**” means with respect to any Lender or Participant the occurrence (x) in the case of each Lender listed on the signature pages hereof, after the date of its execution and delivery of this Agreement and (y) in the case of any other Lender, after the date such Lender shall have become a Lender hereunder, and (z) in the case of each Participant, after the date such Participant became a Participant hereunder,

of the adoption of any applicable U.S. federal law, U.S. federal rule or U.S. federal regulation relating to taxation, or any change therein, or the entry into force, modification or revocation of any income tax convention or treaty to which the United States is a party.

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

(c) Each Borrower agrees to indemnify each Lender and the Administrative Agent for its Appropriate Share of the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 8.04) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be paid within 15 days after such Lender or the Administrative Agent (as the case may be) makes demand therefor.

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

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

reduction of, U.S. ~~Federal~~ federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

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

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

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

(e) Any Lender that is organized under the laws of a jurisdiction within the United States shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. ~~Federal~~ federal backup withholding tax.

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

(g) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or

certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

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

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

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

(k) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Taxes attributable to such Lender (but only to the extent that a Borrower has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Borrowers to do so), (ii) any taxes attributable to such Lender's failure to comply with the provisions of Section 9.06(b) relating to the maintenance of a Participant Register and (iii) any taxes excluded from the definition of Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with this Agreement or any Note, and any reasonable expenses arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender hereunder or under any Note or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (k).

Section 8.05. *Base Rate Loans Substituted for Affected Euro-Dollar Loans.* If (i) the obligation of any Lender to make or to continue or convert outstanding Loans as or into Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Lender has demanded compensation under Section 8.03(a) with respect to its Euro-Dollar Loans and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Lender through the Administrative Agent, have elected that the provisions of this Section shall apply to such Lender, then, unless and until such Lender notifies the Borrowers that

the circumstances giving rise to such suspension or demand for compensation no longer apply:

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

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

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

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

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

(b) if at the time Investment Grade Status exists as to the Borrowers, the Company may elect to terminate this Agreement as to such Lender (including any

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

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Notices.*

(a) All notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, bank wire, facsimile transmission or similar writing) and shall be given to such party: (x) in the case of any Borrower or the Administrative Agent, at its address or facsimile number set forth on the signature pages hereof (or on the signature pages to Amendment No. 3), (y) in the case of any Lender, at its address or facsimile number set forth in its Administrative Questionnaire or (z) in the case of any party, such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrowers. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Section and the appropriate answerback or confirmation slip, as the case may be, is received or (ii) if given by any other means, when delivered at the address specified in this Section; *provided* that notices to the Administrative Agent, the Swingline Lender or any Issuing Lender under Article 2 or Article 8 shall not be effective until delivered. Notices delivered through electronic communications shall be effective as and to the extent provided in subsection (b) below.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent or as otherwise determined by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Section by electronic communication. The Administrative Agent or any Borrower may, in its

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

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

Section 9.03. *Expenses; Indemnification.* (a) Each Borrower shall pay (i) its Appropriate Share of all reasonable out-of-pocket expenses of the Administrative Agent, including reasonable fees and disbursements of one special counsel for the Administrative Agent, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default with respect to such Borrower hereunder and (ii) if an Event of Default with respect to such Borrower occurs, all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including reasonable fees and disbursements of counsel, in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom.

(b) Each Borrower agrees to indemnify each Agent and each Lender (including each Issuing Lender) and the respective Related Parties of the foregoing (each an "**Indemnitee**") and hold each Indemnitee harmless from and against any and all liabilities, losses, penalties, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of one counsel for all Indemnitees taken as a whole and, in the case of any actual or potential conflict of interest, one additional counsel to each group of affected Indemnitees similarly situated taken as a whole, which may be incurred by such Indemnitee arising out of or in connection with any ~~investigative, administrative or judicial~~ claim, litigation, investigation or proceeding (whether or not such Indemnitee shall be designated a party thereto) relating to or arising out of this Agreement, or any actual or proposed use of proceeds of Loans hereunder or Letters of Credit hereunder (including any refusal by an Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection

with such demand do not strictly comply with the terms of such Letter of Credit), in each case to the extent of such Borrower's Appropriate Share; *provided* that no Indemnitee shall have the right to be indemnified hereunder for such Indemnitee's own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

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

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

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

~~(y) unless signed by all Lenders, change the definition of Required Lenders or the provisions of this Section 9.05.~~

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

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

(b) Any Lender may, with the consent (unless an Event of Default then exists) of the Company (such consent not to be unreasonably withheld or delayed), at any time grant to one or more banks or other institutions (each a “**Participant**”) participating interests in its Commitment or any or all of its Loans and Letter of Credit Liabilities; *provided* that any Lender may, without the consent of any Borrower, at any time grant participating interests in its Commitment or any or all of its Loans and Letter of Credit Liabilities to another Lender, an Approved Fund or an Affiliate of such transferor Lender. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrowers, the Issuing Lenders, the Swingline Lender and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that (A) such Participant agrees to be subject to Section 8.06 as if it were an Assignee under paragraph (c) of this Section 9.06 or as if it were the Lender granting such participation and (B) such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrowers hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement described in clause (x)(i), (ii) or (iii) of Section 9.05(a) without the consent of the Participant. Each Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article 8 with respect to its participating interest, subject to the performance by such Participant of the obligations of a Lender thereunder (it being understood that the documentation required

under Section 8.04 shall be delivered by the Participant to the participating Lender and the Participant agrees to be subject to the provisions of Sections 8.04(i), 8.04(j) and 8.06 as if it were an Assignee). In addition, each Lender that sells a participation agrees, at the Borrower's request, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 8.06 with respect to any Participant. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations hereunder or under any Note (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant (other than for the consent requirements set forth in the first sentence of this Section 9.06(b)) or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations hereunder or under any Note) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(c) Any Lender may at any time assign to one or more banks or other financial institutions (each an "**Assignee**") other than ~~(x)~~ a Borrower ~~(y)~~ a Subsidiary or Affiliate of a Borrower ~~(z)~~ a Defaulting Lender or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender, or ~~(z)~~ a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), all, or a proportionate part (equivalent to an initial Commitment of not less than \$10,000,000 (unless the Company and the Administrative Agent shall otherwise agree)) of all, of its rights and obligations under this Agreement and its Note (if any), and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit D hereto executed by such Assignee and such transferor Lender, with (and only with and subject to) the prior written consent of the Swingline Lender, the Issuing Lenders, the Administrative Agent (which shall not be unreasonably withheld or delayed) and, so long as no Event of Default has occurred and is continuing, the Company (which shall not be unreasonably withheld or delayed); *provided* that unless such assignment is of the entire right, title and interest of the transferor Lender hereunder, after making any such assignment such transferor Lender shall have a Commitment of at least \$10,000,000 (unless the Company and the Administrative Agent shall otherwise agree). Upon execution and delivery of such instrument of assumption and payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment

as set forth in such instrument of assumption, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Lender, the Administrative Agent and the Borrowers shall make appropriate arrangements so that, if required by the Assignee, a Note(s) is issued to the Assignee. The Assignee shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrowers and the Administrative Agent any certifications, forms or other documentation in accordance with Section 8.04. All assignments (other than assignments to Affiliates) shall be subject to a transaction fee established by, and payable by the transferor Lender to, the Administrative Agent for its own account (which shall not exceed \$3,500).

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

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

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

Section 9.08. *Confidentiality.* Each ~~Agent and each~~ Lender Party (i) agrees to keep any information delivered or made available by any Borrower pursuant to this Agreement confidential from anyone other than persons employed or retained by such Lender Party and its Affiliates who are engaged in evaluating, approving, structuring or administering the credit facility contemplated hereby and (ii) further agrees on behalf of itself and, to the extent it has the power to do so, its Affiliates and agents, to keep all other information delivered or made available to it by any Borrower or Affiliate of any Borrower for other purposes which, (x) is marked confidential and is expressly made available subject to the terms of this section, and (y) is not otherwise subject to a confidentiality agreement, confidential from anyone other than persons employed or retained by such Lender Party and its Affiliates and agents who need to receive such information in furtherance of the engagement or matter pursuant to which the information is provided; *provided* that nothing herein shall prevent any Lender Party or, solely with respect to information disclosed in a manner set forth in clauses (b) through (g) and ~~(k)~~ in this Section 9.08, any Affiliate of such Lender from disclosing such information, to the extent necessary under the circumstances under which such disclosure is required, (a) to any other Lender

or any Agent, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority or self-regulatory body, (d) which had been publicly disclosed other than as a result of a disclosure by any ~~Agent or any Lender Party~~ prohibited by this Agreement or which had already been in the possession of a Lender Party or not acquired from any Borrower or persons known by Lender Parties to be in breach of an obligation of confidentiality to any Borrower, (e) in connection with any litigation to which any ~~Agent, any Lender Party~~ or any Affiliate or their respective subsidiaries or Parent may be a party, (f) to the extent necessary in connection with the exercise of any remedy hereunder or other engagement or matter, (g) to such ~~Lender's, Lender Party's or Affiliate's or any Agent's~~ legal counsel and independent auditors, (h) subject to provisions substantially similar to those contained in this Section 9.08, to any actual or proposed Participant or Assignee, (i) to any direct, indirect, actual or prospective counterparty (and its advisor) to any swap, derivative or securitization transaction related to the obligations under this Agreement, (j) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the loans ~~and~~, (k) on a confidential basis to rating agencies in consultation and coordination with the Company, (l) for purposes of establishing a "due diligence" defense, (m) with the consent of the Company and (n) on a confidential basis to any credit insurance provider requiring access to such information in connection with credit insurance for the benefit of the disclosing Lender Party.

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

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

Section 9.11. *WAIVER OF JURY TRIAL.* EACH OF THE BORROWERS, THE AGENTS, THE ISSUING LENDERS AND THE LENDERS, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY

LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

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

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

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

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

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

Section 9.14. *No Fiduciary Duty.* Each Borrower agrees that in connection with all aspects of the Loans and Letters of Credit contemplated by this Agreement and any communications in connection therewith, (i) such Borrower and its Subsidiaries, on the one hand, and the Agents, the Lenders and their respective affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agents, the Lenders or their respective affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications—and (ii) the Administrative Agent, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such Borrower and its Affiliates, and neither the Administrative Agent nor any Lender has any obligation to disclose any of such interests to such Borrower or any of its Affiliates.

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

Section 9.16. *Acknowledgement and Consent to Bail-in of EEA Financial Institutions.* Notwithstanding anything to the contrary in this Agreement, any Note or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Agreement or any Note, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any Note; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

COMMITMENT SCHEDULE

<u>Lender</u>	<u>Total Commitments</u>
Wells Fargo Bank, National Association	\$340,000,000
Bank of America, N.A.	\$340,000,000
The Royal JPMorgan Chase Bank of Scotland plc, N.A.	\$340,000,000
Mizuho Bank, Ltd.	\$400,000,000
Bank of China, New York Branch	\$340,000,000
Barclays Bank PLC	\$340,000,000
Citibank, N.A.	\$340,000,000
Credit Suisse AG, Cayman Islands Branch	\$340,000,000
JPMorgan Chase Royal Bank, N.A. of Canada	\$340,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$340,000,000
UBS AG, Stamford Branch	\$340,000,000
BNP Paribas	\$264,000,000
Goldman Sachs Bank USA	\$264,000,000
Mizuho Bank, Ltd.	\$264,000,000
Morgan Stanley Bank, N.A.	\$264,000,000
Royal Sun Trust Bank of Canada	\$264,000,000
Sun Trust TD Bank, N.A.	\$264,000,000
TD Bank, N.A.	\$264,000,000
The Bank of Nova Scotia	\$264,000,000
U.S. Bank National Association	\$264,000,000
Banco Bilbao Vizcaya Argentaria, S.A., New York	\$142,000,000
Branch	\$142,000,000
Industrial and Commercial Bank of China Limited Branch Banking & Trust Company	\$142,000,000
KeyBank National Association	\$142,000,000
The Bank of New York Mellon	\$142,000,000
The Northern Trust Company	\$142,000,000
Fifth Third Bank	\$142,000,000
Credit Agricole Corporate and Investment Bank	\$142,000,000
PNC Bank, National Association	\$142,000,000
Santander Regions Bank, N.A.	\$142,000,000
TD Banco Santander, S.A., New York Branch	\$142,000,000
Canadian Imperial Bank of Commerce, New York Branch	\$142,000,000
Sumitomo Mitsui Banking Corporation	\$142,000,000
DNB Bank ASA, Grand Cayman Branch	\$142,000,000
HSBC Bank USA, National Association	\$142,000,000
Sumitomo Mitsui Banking Corporation	\$142,000,000
The Bank of New York Mellon	\$175,000,000
The Northern Trust Company	\$175,000,000
TOTAL	\$8,000,000,000

Pricing Schedule

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

(basis points per annum)

	<u>at least</u> <u>AA by</u> <u>S&P or</u> <u>Fitch or</u> <u>Aa2 by</u> <u>Moody's</u>	<u>at least</u> <u>AA-by</u> <u>S&P or</u> <u>Fitch or</u> <u>Aa3 by</u> <u>Moody's</u>	at least A+ by S&P or Fitch or A1 by Moody's	at least A by S&P or Fitch or A2 by Moody's	at least A- by S&P or Fitch or A3 by Moody's	at least BBB+ by S&P or Fitch or Baa1 by Moody's	at least BBB by S&P or Fitch or Baa2 by Moody's	less than BBB by S&P or Fitch and less than Baa2 by Moody's
Borrower's Credit Rating								
Facility Fee Rate	4.0	6.0	7.5	10.0	12.5	17.5	22.5	27.5
Applicable Margin								
Euro-Dollar Loans and								
Swingline Loans	58.5	69.0	80.0	90.0	100.0	107.5	127.5	147.5
Base Rate Loans	0.0	0.0	0.0	0.0	0.0	7.5	27.5	47.5

For purposes of the above Pricing Schedule a "Borrower Credit Rating" means, as of any date of determination with respect to any Borrower, the rating as determined by ~~one or more of Standard & Poor's, a division of the McGraw-Hill Companies~~ Financial Services LLC, a subsidiary of S&P Global Inc., together with its successors ("S&P"), or Moody's Investors Service, Inc., together with its successors ("Moody's"), or Fitch Ratings Inc., together with its successors ("Fitch"), of such Borrower's non-credit-enhanced, senior unsecured long-term debt, regardless of whether any such debt is outstanding; provided that (a) if ratings exist by all three rating agencies and the respective ratings issued by two of the rating agencies are the same and one differs, the pricing level shall be determined based on the two ratings that are the same, (b) if ratings exist by all three rating agencies and none of the respective ratings are the same, the pricing level shall be determined based on the middle rating, (c) if only two ratings exist and they differ by one level, then the pricing level for the higher of such ratings shall apply; (d) if only two ratings exist and they differ by more than one level, then the pricing level that is one level lower than the pricing level of the higher rating shall apply; (e) if only one rating exists, the pricing level shall be determined based on that rating; (f) if no such rating exists for such Borrower, then a corporate credit rating from S&P and the issuer ratings from Moody's and Fitch should be used and differences between those ratings and resolving non-existent ratings from any of those rating agencies shall be determined in the same manner as set forth in clauses (a) through (e) of this proviso; and

(g) if no such rating in clause (f) exists for such Borrower, the highest pricing level (less than “BBB” pricing level) shall apply. A change in rating will result in an immediate change in the applicable pricing.

EXHIBIT A

NOTE

New York, New York

, 20

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

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

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

[DUKE ENERGY CORPORATION]

[DUKE ENERGY CAROLINAS, LLC]

[DUKE ENERGY OHIO, INC.]

[DUKE ENERGY INDIANA, ~~INC~~-LLC]

[DUKE ENERGY KENTUCKY, INC.]

[DUKE ENERGY PROGRESS, ~~INC~~-LLC]

[DUKE ENERGY FLORIDA, LLC]

[DUKE ENERGY-
FLORIDA PIEDMONT NATURAL
GAS COMPANY, INC.]

By: _____
Title: _____

Note (cont'd)

LOANS AND PAYMENTS OF PRINCIPAL

<u>Date</u>	<u>Amount of Loan</u>	<u>Type of Loan</u>	<u>Amount of Principal Repaid</u>	<u>Maturity Date</u>	<u>Notation Made By</u>
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EXHIBIT B

OPINION OF INTERNAL COUNSEL OF THE BORROWER

[Effective Date]

To the Lenders and the Administrative Agent
Referred to Below

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

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

Ladies and Gentlemen:

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

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

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

1. The Borrower is [a Delaware corporation] [a North Carolina limited liability company] [an Ohio corporation] [an Indiana corporation] [a Kentucky corporation] [a North Carolina corporation], validly existing and in good standing under the laws of [Delaware] [North Carolina] [Ohio] [Indiana] [Kentucky].

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

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

[Effective Date]

To the Lenders and the Administrative Agent
Referred to Below

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

[]
[]
[]
[]

Attn: []

Ladies and Gentlemen:

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

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

In rendering the opinions contained herein, we have assumed, among other things, that the Credit Agreement and any Notes to be executed (i) are within the Borrower's corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii)

have been duly executed and delivered, (iv) require no action by or in respect of, or filing with, any governmental body, agency or official and (v) do not contravene, or constitute a default under, any provision of applicable law or regulation or of the Borrower's certificate of incorporation or by-laws or any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower. In addition, we have assumed that the Credit Agreement fully states the agreement between the Borrower and the Lenders with respect to the matters addressed therein, and that the Credit Agreement constitutes a legal, valid and binding obligation of each Lender, enforceable in accordance with its respective terms.

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

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

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

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

negligence or willful misconduct. Indemnification provisions in the Credit Agreement are subject to and may be rendered unenforceable by applicable law or public policy, including applicable securities law.

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

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

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

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

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

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

Very truly yours,

C-4

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

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

WITNESSETH

WHEREAS, this Assignment and Assumption Agreement (the "Agreement") relates to the Credit Agreement dated as of November 18, 2011 among Duke Energy Corporation and the other Borrowers party thereto, the Assignor and the other Lenders party thereto, as Lenders, the Administrative Agent and the other Agents party thereto (as the same may be amended, modified, extended or restated from time to time, the "Credit Agreement");

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans to the Borrowers and participate in Letters of Credit in an aggregate principal amount at any time outstanding not to exceed \$ _____; ~~(+)(3)~~

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

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

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

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

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

~~(+)(3)~~ The asterisked provisions shall be appropriately revised in the event of an assignment after the Commitment Termination Date.

SECTION 2. *Assignment.* The Assignor hereby assigns and sells to the Assignee all of the rights of the Assignor under the Credit Agreement to the extent of the Assigned Amount, and the Assignee hereby accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit Agreement to the extent of the Assigned Amount, including the purchase from the Assignor of the corresponding portion of the principal amount of the Loans made by, and Letter of Credit Liabilities of, the Assignor outstanding at the date hereof. Upon the execution and delivery hereof by the Assignor, the Assignee [Duke Energy Corporation] [the Issuing Lenders] and the Administrative Agent, and the payment of the amounts specified in Section 3 required to be paid on the date hereof (i) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Lender under the Credit Agreement with a Commitment in an amount equal to the Assigned Amount, and (ii) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. *Payments.* As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them. ~~(2)(4)~~ It is understood that facility [and Letter of Credit] fees accrued to the date hereof in respect of the Assigned Amount are for the account of the Assignor and such fees accruing from and including the date hereof are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

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

SECTION 5. *Non-reliance on Assignor.* The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition, or statements of any Borrower, or the validity and enforceability of the obligations of any Borrower in respect of the Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed

~~(2)(4)~~ Amount should combine principal together with accrued interest and breakage compensation, if any, to be paid by the Assignee. It may be preferable in an appropriate case to specify these amounts generically or by formula rather than as a fixed sum.

appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of each Borrower.

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

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

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

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

[ASSIGNOR]

By: _____
Title:

[ASSIGNEE]

By: _____
Title:

[DUKE ENERGY CORPORATION]

By: _____
Title:

WELLS FARGO BANK, NATIONAL
ASSOCIATION as Administrative Agent

By: _____
Title:

EXHIBIT E

EXTENSION AGREEMENT

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

[]
[]
[]
[]

Attn: []

Ladies and Gentlemen:

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

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

[NAME OF BANK]

By: _____
Title:

Agreed and Accepted:

DUKE ENERGY CORPORATION,
as Borrower

By: _____
Title:

DUKE ENERGY CAROLINAS, LLC,
as Borrower

By: _____
Title:

DUKE ENERGY OHIO, INC.,
as Borrower

By: _____
Title:

DUKE ENERGY INDIANA, INC.-LLC,
as Borrower

By: _____
Title:

DUKE ENERGY KENTUCKY, INC.,
as Borrower

By: _____
Title:

~~DUKE ENERGY PROGRESS, INC.,~~
DUKE ENERGY PROGRESS, LLC,
as Borrower

By: _____
Title:

DUKE ENERGY FLORIDA, LLC,
as Borrower

By: _____
Title:

~~DUKE ENERGY~~
FLORIDA PIEDMONT NATURAL
GAS COMPANY, INC.,
as Borrower

By: _____
Title:

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Administrative Agent

By: _____
Title:

EXHIBIT F

NOTICE OF ISSUANCE

Date:

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

From: [Duke Energy Corporation] [Duke Energy Carolinas, LLC] [Duke Energy Ohio, Inc.] [Duke Energy Indiana, ~~Inc.~~ LLC] [Duke Energy
Kentucky, ~~Inc.~~ LLC] [Duke Energy Progress, ~~Inc.~~ LLC] [Duke Energy Florida, Inc.] [Piedmont Natural Gas Company, Inc.]

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

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

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

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

- (a) immediately after the issuance of the Requested Letter of Credit, (i) the Utilization Limits are not exceeded and (ii) the aggregate amount of
the Letter of Credit Liabilities shall not exceed \$800,000,000;
- (b) immediately after the issuance of the Requested Letter of Credit, no Default shall have occurred and be continuing; and
- (c) the representations and warranties contained in the Credit Agreement (except the representations and warranties set forth in
Section 4.04(c) and Section 4.06 of the Credit Agreement) shall be true on and as of the date of issuance of the Requested Letter of Credit.

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

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

[DUKE ENERGY CORPORATION]

[DUKE ENERGY CAROLINAS, LLC]

[DUKE ENERGY OHIO, INC.]

[DUKE ENERGY INDIANA, ~~INC.~~LLC]

[DUKE ENERGY KENTUCKY, INC.]

[DUKE ENERGY PROGRESS, ~~INC.~~LLC]

[DUKE ENERGY FLORIDA, LLC]

**[DUKE ENERGY FLORIDA PIEDMONT
NATURAL GAS COMPANY, INC.]**

By: _____

Title: _____

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

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

Date: The undersigned Applicant hereby requests Lender to issue and transmit by:
L/C No. Overnight Carrier Teletransmission Mail Other:
Explain:

(Lender Use Only) an Irrevocable Standby Letter of Credit (the "Credit") substantially as set forth below. In issuing the Credit, Lender is expressly authorized to make such changes from the terms herein below set forth as it, in its sole discretion, may deem advisable.

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

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

Currency and amount in words:

Expiration Date:

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

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

- Statement, purportedly signed by the Beneficiary, reading as follows (please state below exact wording to appear on the statement):
- Other Documents
- Special Conditions (including, if Applicant has a preference, selection of UCP as herein defined or ISP98 as herein defined).

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

Complete only when the Beneficiary (Foreign Lender, or other Financial Institution) is to issue its undertaking based on this Credit.

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

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

(Print or type name of Applicant)	(Print or type name of Applicant)
(Address)	(Address)
Authorized Signature (Title)	Authorized Signature (Title)
Authorized Signature (Title)	Authorized Signature (Title)
Customer Contact: _____	Phone: _____

BANK USE ONLY

NOTE:

Application will **NOT** be processed if this section is not complete.

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

{EXHIBIT G

APPROVED FORM OF LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

BENEFICIARY:

LADIES AND GENTLEMEN:

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

1) A BENEFICIARY’S SIGNED CERTIFICATE STATING “[~~DUKE ENERGY CORPORATION~~] [~~DUKE ENERGY CAROLINAS, LLC~~] [~~DUKE ENERGY OHIO, INC.~~] [~~DUKE ENERGY INDIANA, INC.~~] [~~DUKE ENERGY KENTUCKY, INC.~~] DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, LLC] [DUKE ENERGY KENTUCKY, INC.] DUKE ENERGY PROGRESS, LLC] [DUKE ENERGY FLORIDA, LLC] [PIEDMONT NATURAL GAS COMPANY, INC.]/[INSERT NAME OF [DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, ~~INC~~] DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, LLC] [DUKE ENERGY KENTUCKY, INC.] DUKE ENERGY PROGRESS, LLC] [DUKE ENERGY FLORIDA, LLC] [PIEDMONT NATURAL GAS COMPANY, INC.]’S AFFILIATE OR SUBSIDIARY]] IS IN DEFAULT UNDER ONE OR MORE AGREEMENTS BETWEEN [[DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, INC.] [DUKE ENERGY KENTUCKY, INC.] [DUKE ENERGY PROGRESS, INC.] [DUKE ENERGY FLORIDA, ~~INC~~] DUKE ENERGY CORPORATION] [DUKE ENERGY CAROLINAS, LLC] [DUKE ENERGY OHIO, INC.] [DUKE ENERGY INDIANA, LLC] [DUKE ENERGY KENTUCKY, INC.] DUKE ENERGY PROGRESS, LLC] [DUKE ENERGY FLORIDA, LLC]

[PIEDMONT NATURAL GAS COMPANY, INC.]/[INSERT NAME OF ~~[DUKE ENERGY CORPORATION]~~ ~~[DUKE ENERGY CAROLINAS, LLC]~~ ~~[DUKE ENERGY OHIO, INC.]~~ ~~[DUKE ENERGY INDIANA, INC.]~~ ~~[DUKE ENERGY KENTUCKY, INC.]~~ ~~[DUKE ENERGY PROGRESS, INC.]~~ ~~[DUKE ENERGY FLORIDA, INC.]~~ ~~[DUKE ENERGY CORPORATION]~~ ~~[DUKE ENERGY CAROLINAS, LLC]~~ ~~[DUKE ENERGY OHIO, INC.]~~ ~~[DUKE ENERGY INDIANA, LLC]~~ ~~[DUKE ENERGY KENTUCKY, INC.]~~ ~~[DUKE ENERGY PROGRESS, LLC]~~ ~~[DUKE ENERGY FLORIDA, LLC]~~ ~~[PIEDMONT NATURAL GAS COMPANY, INC.]~~'S AFFILIATE OR SUBSIDIARY]] AND [INSERT BENEFICIARY'S NAME]."

OR

2) A BENEFICIARY'S SIGNED CERTIFICATE STATING "[INSERT BENEFICIARY'S NAME] HAS REQUESTED ALTERNATE SECURITY FROM ~~[[DUKE ENERGY CORPORATION]~~ ~~[DUKE ENERGY CAROLINAS, LLC]~~ ~~[DUKE ENERGY OHIO, INC.]~~ ~~[DUKE ENERGY INDIANA, INC.]~~ ~~[DUKE ENERGY KENTUCKY, INC.]~~ ~~[DUKE ENERGY PROGRESS, INC.]~~ ~~[DUKE ENERGY FLORIDA, LLC]~~ ~~[PIEDMONT NATURAL GAS COMPANY, INC.]~~ / [INSERT NAME OF ~~[DUKE ENERGY CORPORATION]~~ ~~[DUKE ENERGY CAROLINAS, LLC]~~ ~~[DUKE ENERGY OHIO, INC.]~~ ~~[DUKE ENERGY INDIANA, INC.]~~ ~~[DUKE ENERGY KENTUCKY, INC.]~~ ~~[DUKE ENERGY PROGRESS, LLC]~~ ~~[DUKE ENERGY FLORIDA, LLC]~~ ~~[PIEDMONT NATURAL GAS COMPANY, INC.]~~'S AFFILIATE OR SUBSIDIARY]] AND ~~[DUKE ENERGY CORPORATION]~~ ~~[DUKE ENERGY CAROLINAS, LLC]~~ ~~[DUKE ENERGY OHIO, INC.]~~ ~~[DUKE ENERGY INDIANA, INC.]~~ ~~[DUKE ENERGY KENTUCKY, INC.]~~ ~~[DUKE ENERGY PROGRESS, LLC]~~ ~~[DUKE ENERGY FLORIDA, LLC]~~ ~~[PIEDMONT NATURAL GAS COMPANY, INC.]~~ / [INSERT NAME OF ~~[DUKE ENERGY CORPORATION]~~ ~~[DUKE ENERGY CAROLINAS, LLC]~~ ~~[DUKE ENERGY OHIO, INC.]~~ ~~[DUKE ENERGY INDIANA, INC.]~~ ~~[DUKE ENERGY KENTUCKY, INC.]~~ ~~[DUKE ENERGY PROGRESS, INC.]~~ ~~[DUKE ENERGY FLORIDA, LLC]~~ ~~[PIEDMONT NATURAL GAS COMPANY, INC.]~~'S AFFILIATE OR SUBSIDIARY]] HAS NOT PROVIDED ALTERNATE SECURITY ACCEPTABLE TO [INSERT BENEFICIARY'S NAME] AND THIS LETTER OF CREDIT HAS LESS THAN TWENTY DAYS UNTIL EXPIRY."

AND

3) A DRAFT STATING THE AMOUNT TO BE DRAWN.

SPECIAL CONDITIONS:

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

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

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

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

VERY TRULY YOURS
[ISSUING BANK]]

EXHIBIT H

JOINDER AGREEMENT

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

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

1. The New Borrower hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Borrower will be deemed to be a Borrower under the Credit Agreement for all purposes of the Credit Agreement and shall have all of the obligations of a Borrower thereunder, as if it had executed the Credit Agreement. The New Borrower hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement.

2. The New Borrower represents and warrants that the representations and warranties in Article 4 of the Credit Agreement are true and correct as to it as a Borrower on and as of the date hereof.

3. The address of the New Borrower for purposes of Section 9.01 of the Credit Agreement is as follows:

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

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

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

By: _____
Name:
Title:

Acknowledged and accepted:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____
Name:
Title:

EXHIBIT I

PROGRESS ENERGY, INC. CONSENT

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

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

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

PROGRESS ENERGY, INC., a North Carolina corporation

By: _____
Name:
Title:

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **March 22, 2017**

DUKE ENERGY OHIO, INC.
(Exact Name of Registrant as Specified in its Charter)

Ohio
(State or Other Jurisdiction
of Incorporation)

1-1232
(Commission
File Number)

31-0240030
(IRS Employer
Identification No.)

139 East Fourth Street, Cincinnati, Ohio 45202
(Address of Principal Executive Offices, including Zip code)

(704) 382-3853
(Registrant's telephone number, including area code)

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

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

Item 8.01. Other Events.

On March 22, 2017, Duke Energy Ohio, Inc. (the "Company") entered into an underwriting agreement, dated March 22, 2017 (the "Underwriting Agreement"), with Citigroup Global Markets Inc. and Loop Capital Markets LLC, as representatives of the several underwriters named therein (the "Underwriters"), pursuant to which the Company agreed to issue and sell to the Underwriters \$100,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 3.70% Series, Due June 15, 2046 (the "Bonds"). The Bonds will be issued under the First Mortgage, dated as of August 1, 1936, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, as amended and supplemented from time to time (the "Indenture"), including by the Forty-fifth Supplemental Indenture, dated as of March 27, 2017 (the "Supplemental Indenture"). The disclosure in this Item 8.01 is qualified in its entirety by the provisions of the Indenture, the Supplemental Indenture, which is filed as Exhibit 4.1 hereto, and the Underwriting Agreement, which is filed as Exhibit 99.1 hereto. Such exhibits are incorporated herein by reference. Also, in connection with the issuance and sale of the Bonds, the Company is filing a legal opinion regarding the validity of the Bonds as Exhibit 5.1 to this Form 8-K for the purpose of incorporating the opinion into the Company's Registration Statement No. 333-213765-02.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 4.1 Forty-fifth Supplemental Indenture, dated as of March 27, 2017, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Bonds.
- 5.1 Opinion regarding validity of the Bonds.
- 23.1 Consent (included as part of Exhibit 5.1).
- 99.1 Underwriting Agreement, dated March 22, 2017, among the Company and Citigroup Global Markets Inc. and Loop Capital Markets LLC, as representatives of the several underwriters named therein, in connection with the Company's issuance and sale of the Bonds.

SIGNATURES

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

DUKE ENERGY OHIO, INC.

Date: March 27, 2017

By: /s/ Robert T. Lucas III, Esq.
Name: Robert T. Lucas III, Esq.
Title: Deputy General Counsel and
Assistant Corporate Secretary

EXHIBIT INDEX

Exhibit	Description
4.1	Forty-fifth Supplemental Indenture, dated as of March 27, 2017, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Bonds.
5.1	Opinion regarding validity of the Bonds.
23.1	Consent (included as part of Exhibit 5.1).
99.1	Underwriting Agreement, dated March 22, 2017, among the Company and Citigroup Global Markets Inc. and Loop Capital Markets LLC, as representatives of the several underwriters named therein, in connection with the Company's issuance and sale of the Bonds.

Exhibit 4.1

DUKE ENERGY OHIO, INC.

(FORMERLY NAMED "THE CINCINNATI GAS & ELECTRIC COMPANY")

TO

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE**

(SUCCESSOR TRUSTEE TO THE BANK OF NEW YORK MELLON
AND TO IRVING TRUST COMPANY)

FORTY-FIFTH SUPPLEMENTAL INDENTURE

DATED AS OF MARCH 27, 2017

TO

FIRST MORTGAGE

DATED AS OF AUGUST 1, 1936

Additional Issuance of First Mortgage Bonds, 3.70% Series, Due June 15, 2046

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FORTY-FIFTH SUPPLEMENTAL INDENTURE, dated as of March 27, 2017, between **DUKE ENERGY OHIO, INC.** (hereinafter sometimes referred to as the "Company"), a corporation organized and existing under the laws of the State of Ohio, formerly named The Cincinnati Gas & Electric Company, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, and the successor trustee to The Bank of New York Mellon and Irving Trust Company (hereinafter sometimes referred to as the "Trustee"), whose mailing address is 10161 Centurion Parkway N, Jacksonville, Florida 32256.

RECITALS OF THE COMPANY

The Indenture, dated as of August 1, 1936 (the "Original Indenture") was authorized, executed and delivered by the Company to provide for the issuance from time to time of its bonds, to be issued in one or more series as contemplated therein, and to provide security for the payment of the principal of and premium, if any, and interest, if any, on the bonds.

The Company has heretofore executed and delivered to the Trustee forty-three supplemental indentures for the purposes recited therein, including creating series of Securities and otherwise amending, restating and supplementing the Original Indenture (the Original Indenture, as so amended, restated and supplemented, being hereinafter called the "Indenture").

The Company, by appropriate corporate action in conformity with the terms of the Indenture, has duly determined to make, execute and deliver to the Trustee this Forty-fifth Supplemental Indenture to the Indenture as permitted by Sections 2.01, 3.01, 13.01 and Article Sixteen of the Indenture in order to issue additional Securities of the series under the Indenture designated as "First Mortgage Bonds, 3.70% Series, Due June 15, 2046" (hereinafter referred to as the "Bonds"), initially in an aggregate principal amount of \$100,000,000 (hereinafter referred to as the "Additional Bonds").

The terms and provisions of the Additional Bonds, and the form thereof, were set forth in the Forty-fourth Supplemental Indenture, dated as of June 23, 2016, between the Company and the Trustee (hereinafter sometimes referred to as the "Forty-fourth Supplemental Indenture"), which Forty-fourth Supplemental Indenture also provided for the issuance of \$250,000,000 aggregate principal amount of the Bonds.

Section 3.01 of the Indenture provides that without the consent of any Holder, the aggregate principal amount of a series of Securities may be increased and additional Securities of such series may be issued up to the maximum aggregate principal amount authorized with respect to such series as increased, provided that such additional Securities of such series are fungible with the previously issued Securities of such series for Federal income tax purposes.

All things necessary to make the Additional Bonds herein described, when duly authenticated by the Trustee and issued by the Company, valid, binding, and legal obligations of the Company, and to make this Forty-fifth Supplemental Indenture a valid and binding agreement supplemental to the Indenture, have been done and performed.

THIS FORTY-FIFTH SUPPLEMENTAL INDENTURE WITNESSETH:

In consideration of the premises and of the acceptance and purchase of the Additional Bonds, the Company hereby covenants and agrees to and with the Trustee as follows:

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

ARTICLE ONE.

DEFINITIONS

SECTION 1.01. DEFINITIONS.

Each capitalized term that is used herein and is defined in the Indenture shall have the meaning specified in the Indenture unless such term is otherwise defined herein. The terms defined herein include the plural as well as the singular.

ARTICLE TWO.

FIRST MORTGAGE BONDS, 3.70% SERIES, DUE JUNE 15, 2046

SECTION 2.01. ISSUANCE OF ADDITIONAL BONDS.

There is hereby authorized and established Additional Bonds designated "First Mortgage Bonds, 3.70% Series, Due June 15, 2046" which shall be consolidated with, and form a single series with, the Bonds. The Additional Bonds, which are authenticated and delivered hereunder, shall be initially limited to an aggregate principal amount of \$100,000,000, and immediately after issuance of the Additional Bonds, the aggregate principal amount of Bonds, together with the Additional Bonds, shall be \$350,000,000. The terms and conditions of the Additional Bonds are the same as those of the Bonds as specified in the Forty-fourth Supplemental Indenture, provided that interest shall initially begin to accrue on the Additional Bonds only from December 15, 2016 and the first Interest Payment Date therefor shall be June 15, 2017.

ARTICLE THREE.

MISCELLANEOUS

SECTION 3.01. INDENTURE RATIFIED AND CONFIRMED.

The Indenture, as supplemented by this Forty-fifth Supplemental Indenture, is in all respects ratified and confirmed and shall be read, taken and construed as one and the same instrument.

SECTION 3.02. EXECUTION IN COUNTERPARTS

This Forty-fifth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 3.03. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings in this Forty-fifth Supplemental Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 3.04. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Forty-fifth Supplemental Indenture by the Company and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 3.05. SEPARABILITY CLAUSE.

In case any provision in this Forty-fifth Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 3.06. BENEFITS OF INDENTURE.

Nothing in this Forty-fifth Supplemental Indenture or the Additional Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of any Additional Bonds, any benefit or any legal or equitable right, remedy or claim under this Forty-fifth Supplemental Indenture.

SECTION 3.07. GOVERNING LAW.

This Forty-fifth Supplemental Indenture and the Additional Bonds shall be governed by and construed in accordance with the laws of the State of Ohio, except (a) to the extent that the

Trust Indenture Act shall be applicable, and (b) that the rights, duties, obligations, privileges, immunities and standard of care of the Trustee shall be governed by the laws of the State of New York.

SECTION 3.08. TRUSTEE NOT RESPONSIBLE FOR RECITALS, ETC.

The recitals contained herein are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Forty-fifth Supplemental Indenture.

[EXECUTION PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Forty-fifth Supplemental Indenture to be duly executed as of the day and year first above written.

DUKE ENERGY OHIO, INC.

By /s/ John L. Sullivan, III
John L. Sullivan, III
Assistant Treasurer

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as
Trustee**

By /s/ Julie Hoffman-Ramos
Name: Julie Hoffman-Ramos
Title: Vice President

STATE OF NORTH CAROLINA)
) ss:
COUNTY OF MECKLENBURG)

BE IT REMEMBERED, that on this 27th day of March, 2017, before me, the undersigned, a notary public in and for the County and State aforesaid, duly commissioned and qualified, personally appeared John L. Sullivan, III, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and personally known to me to be the Assistant Treasurer of Duke Energy Ohio, Inc., an Ohio corporation, and acknowledged that he signed and delivered said instrument as his free and voluntary act as such Assistant Treasurer, and as the free and voluntary act of said Duke Energy Ohio, Inc., for the uses and purposes therein set forth; in pursuance of the power and authority granted to him by resolution of the Board of Directors of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

(NOTARIAL SEAL)

/s/ Phoebe E. Elliot
Notary Public

Name: Phoebe E. Elliot
Commission Expiration: June 26, 2021

State of Texas)
): ss
County of Harris)

On the 3rd day of March in the year 2017, before me, the undersigned, personally appeared, Julie Hoffman-Ramos, a Vice President of The Bank of New York Mellon Trust Company, N.A., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

/s/ Robert C. Dingman, Jr.

Robert C. Dingman, Jr.
Notary Public — State of Texas
Notary Id: 126531797
Commission Expires May 23, 2020

Exhibit 5.1

DUKE ENERGY BUSINESS SERVICES LLC
526 South Church Street
Charlotte, North Carolina 28202

March 27, 2017

Duke Energy Ohio, Inc.
139 East Fourth Street
Cincinnati, Ohio 45202

Re: Duke Energy Ohio, Inc. \$100,000,000 aggregate principal amount of First Mortgage Bonds, 3.70% Series, Due June 15, 2046

Ladies and Gentlemen:

I am Associate General Counsel of Duke Energy Business Services LLC, the service company affiliate of Duke Energy Ohio, Inc., an Ohio corporation (the "Company"), and in such capacity I have acted as counsel to the Company in connection with the public offering of \$100,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 3.70% Series, Due June 15, 2046 (the "Securities"), to be issued pursuant to a First Mortgage, dated as of August 1, 1936, between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented from time to time, including the amendment and restatement thereof in its entirety by the Fortieth Supplemental Indenture, dated as of March 23, 2009 (said First Mortgage, as heretofore amended, restated and supplemented, the "First Mortgage"), and which will be further supplemented by the Forty-fifth Supplemental Indenture, dated as of March 27, 2017 (the "Supplemental Indenture" and, together with the First Mortgage, the "Indenture"). On March 22, 2017, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Citigroup Global Markets Inc. and Loop Capital Markets LLC, as representatives of the several underwriters named therein (the "Underwriters"), relating to the sale by the Company to the Underwriters of the Securities.

This opinion is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "1933 Act").

My opinion set forth herein is limited to the laws of the State of Ohio. I do not express any opinion with respect to the laws of any other jurisdiction, or as to the effect thereof on the opinion herein stated.

In connection with this opinion, I or attorneys under my supervision (with whom I have consulted) have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of:

- (a) the registration statement on Form S-3, as amended (File No. 333-213765-02) of the Company originally filed on September 23, 2016, and subsequently filed on January 26, 2017, with the Securities and Exchange Commission (the "Commission") under the 1933 Act, allowing for delayed offerings pursuant to Rule 415 under the 1933 Act, the information deemed to be a part of such registration statement as of the date hereof pursuant to Rule 430B of the rules and regulations under the 1933 Act (the "1933 Act Regulations") and the information incorporated or deemed to be incorporated by reference in such registration statement pursuant to Item 12 of Form S-3 under the 1933 Act (such registration statement being hereinafter referred to as the "Registration Statement");
 - (b) the prospectus, dated September 23, 2016, including the information incorporated or deemed to be incorporated by reference therein (the "Base Prospectus"), which forms a part of and is included in the Registration Statement in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations;
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- (c) the preliminary prospectus supplement, dated March 22, 2017, including the information incorporated or deemed to be incorporated by reference therein (the "Preliminary Prospectus Supplement"), relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations;
- (d) the prospectus supplement, dated March 22, 2017, including the information incorporated or deemed to be incorporated by reference therein (the "Prospectus Supplement"), relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations (the Prospectus Supplement, together with the Base Prospectus, are collectively referred to herein as the "Prospectus");
- (e) the Issuer Free Writing Prospectus issued at or prior to the Applicable Time, attached as Schedule C to the Underwriting Agreement and filed with the Commission pursuant to Rule 433(d) of the 1933 Act Regulations and Section 5(e) of the Underwriting Agreement (the Base Prospectus, the Preliminary Prospectus Supplement and the Free Writing Prospectus are collectively referred to herein as the "Pricing Disclosure Package");
- (f) an executed copy of the Underwriting Agreement;
- (g) an executed copy of the First Mortgage;
- (h) an executed copy of the Supplemental Indenture;
- (i) a specimen of the Securities;
- (j) the Amended Articles of Consolidation of the Company, effective October 1, 2006;
- (k) the Regulations of the Company, as amended on July 23, 2003;
- (l) the Action by Written Consent of the Board of Directors of the Company, effective September 16, 2016, relating to the preparation and filing with the Commission of the Registration Statement and the issuance of the Company's securities (the "Board Consent");
- (m) the Written Consent of the Assistant Treasurer of the Company, effective March 22, 2017, establishing the terms of the Securities pursuant to authority granted in the Board Consent;
- (n) the Orders entered on June 8, 2016 and March 8, 2017, respectively, by The Public Utilities Commission of Ohio, each in Case No. 16-637-GE-AIS wherein, among other things, the Company secured the necessary authorizations and approvals of said Commission in respect of the issuance of the Securities;
- (o) a Certificate of Assistant Corporate Secretary of the Company, dated March 27, 2017, with respect to signatures and incumbency of officers of the Company, and other corporate matters; and
- (p) an Officers' Certificate of the Company, dated March 27, 2017, pursuant to Section 6(i) of the Underwriting Agreement.

I or attorneys under my supervision (with whom I have consulted) have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements and certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as I or attorneys under my supervision (with whom I have consulted) have deemed necessary or appropriate as a basis for the opinions set forth below.

In my examination, I or attorneys under my supervision (with whom I have consulted) have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to

me as originals, the conformity to original documents of all documents submitted to me as facsimile, electronic, certified or photostatic copies, and the authenticity of such copies. In making my examination of executed documents, I have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and I have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery by such parties of such documents and, except to the extent expressly set forth below, the validity and binding effect thereof on such parties. As to any facts material to the opinions expressed herein which were not independently established or verified, I or attorneys under my supervision (with whom I have consulted) have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

The opinion set forth below is subject to the following further qualifications, assumptions and limitations:

(i) the validity or enforcement of any agreements or instruments may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and

(ii) I do not express any opinion as to the applicability or effect of any fraudulent transfer, preference or similar law on any agreements or instruments or any transactions contemplated thereby.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that the Securities have been duly authorized and executed by the Company, and that when duly authenticated by the Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Underwriting Agreement and the Indenture, the Securities will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms.

I hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement through incorporation by reference of a current report on Form 8-K. I also consent to the reference to my name under the heading "Legal Matters" in the Prospectus Supplement. In giving this consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the 1933 Act or the Rules and Regulations of the Commission promulgated thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated, and I disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable laws.

Very truly yours,

/s/ Richard G. Beach
Richard G. Beach

Exhibit 99.1

Execution Copy

DUKE ENERGY OHIO, INC.

**\$100,000,000 FIRST MORTGAGE BONDS,
3.70% SERIES, DUE June 15, 2046**

UNDERWRITING AGREEMENT

March 22, 2017

CITIGROUP GLOBAL MARKETS INC.
LOOP CAPITAL MARKETS LLC

As Representatives of the several Underwriters

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, NY 10013

Ladies and Gentlemen:

1. *Introductory.* DUKE ENERGY OHIO, INC., an Ohio corporation (the “**Company**”), proposes, subject to the terms and conditions stated herein, to issue and sell \$100,000,000 aggregate principal amount of First Mortgage Bonds, 3.70% Series, Due June 15, 2046 (the “**Bonds**”), which will be part of the same series of bonds as the \$250,000,000 aggregate principal amount of the Company’s First Mortgage Bonds, 3.70% Series, due June 15, 2046 issued on June 23, 2016 (the “**Initial Bonds**”). The Bonds will be issued under and secured by a First Mortgage dated as of August 1, 1936 (the “**Original Mortgage**”), between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “**Trustee**”), as supplemented and amended from time to time, which was amended and restated in its entirety by a Fortieth Supplemental Indenture, dated as of March 23, 2009 (the “**Fortieth Supplemental Indenture**”), and which was further amended and supplemented by the Forty-Fourth Supplemental Indenture, dated as of June 23, 2016 (establishing the Initial Bonds) and which will be further amended and supplemented by the Forty-Fifth Supplemental Indenture, to be dated as of March 27, 2017 (the “**Supplemental Indenture**” and together with the Original Mortgage (as supplemented, amended and restated) the “**Indenture**”). Citigroup Global Markets Inc. and Loop Capital Markets LLC (the “**Representatives**”) are acting as representatives of the several underwriters named on Schedule A hereto (together with the Representatives, the “**Underwriters**”).

2. *Representations and Warranties of the Company.* As of the date hereof, as of the Applicable Time (as defined below) and as of the Closing Date (as defined below), the Company represents and warrants to, and agrees with, the several Underwriters that:

- (a) A registration statement, as amended (No. 333-213765-02), including a prospectus, relating to the Bonds and certain other securities has been filed with
-

the Securities and Exchange Commission (the “**Commission**”) under the Securities Act of 1933, as amended (the “**1933 Act**”); such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, became effective upon filing with the Commission pursuant to Rule 462 of the rules and regulations of the Commission under the 1933 Act (the “**1933 Act Regulations**”). The base prospectus filed as part of such registration statement, as amended and supplemented immediately prior to the Applicable Time, is hereinafter called the “**Base Prospectus**”; the preliminary prospectus supplement specifically relating to the Bonds immediately prior to the Applicable Time filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations is hereinafter called the “**Preliminary Prospectus**”; the various parts of such registration statement, including all exhibits thereto and including the prospectus supplement relating to the Bonds that is filed with the Commission and deemed by virtue of Rule 430B of the 1933 Act Regulations to be part of such registration statement, each as amended at the time such part of the registration statement became effective, are hereinafter collectively called the “**Registration Statement**”; the form of the final prospectus relating to the Bonds filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations in accordance with Section 5(a) hereof is hereinafter called the “**Prospectus**” and any information included in such Prospectus that was omitted from the Registration Statement at the time it became effective but that is deemed to be a part of and included in the Registration Statement pursuant to Rule 430B is referred to as “**Rule 430B Information**”; any reference herein to the Base Prospectus, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, as of the date of such prospectus; any reference to any amendment or supplement to the Base Prospectus, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any post-effective amendment to the Registration Statement, the prospectus supplement relating to the Bonds filed with the Commission pursuant to Rule 424(b) under the 1933 Act and any documents filed under the Securities Exchange Act of 1934, as amended (the “**1934 Act**”), and incorporated therein, in each case after the date of the Base Prospectus, the Preliminary Prospectus or the Prospectus, as the case may be; any reference to any amendment to the Registration Statement shall be deemed to include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the 1934 Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement. For purposes of this Agreement, the term “**Applicable Time**” means 11:15 a.m. (New York City Time) on the date hereof.

- (b) No stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the 1933 Act has been initiated or threatened by the Commission.
- (c) The Registration Statement, the Base Prospectus, the document or documents specified in Item 3 of Schedule B hereto (such document or documents, the “**Permitted Free Writing Prospectus**”), the Preliminary Prospectus and the

Prospectus conform or will conform, and any amendments or supplements thereto will conform, in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations; the Registration Statement as of its original effective date, at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations and at the Closing Date (as defined in Section 3), did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus and any amendment or supplement thereto, at the time the Prospectus or any such amendment or supplement is issued and at the Closing Date, will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Base Prospectus, the Preliminary Prospectus and the Permitted Free Writing Prospectus (collectively, the "**Pricing Disclosure Package**"), all considered together, as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, the Company makes no representation or warranty to the Underwriters with respect to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Prospectus, the Preliminary Prospectus or the Permitted Free Writing Prospectus.

- (d) The Permitted Free Writing Prospectus specified on Schedule B hereto as of its issue date and at all subsequent times through the completion of the public offer and sale of the Bonds (or until any earlier date that the Company notifies the Underwriters as described in Section 5(f)) did not and will not include any information that conflicts with the information contained in the Registration Statement, the Base Prospectus, the Preliminary Prospectus or the Prospectus that has not been superseded or modified.
- (e) At the earliest time the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Bonds, the Company was not an "ineligible issuer" as defined in Rule 405 of the 1933 Act Regulations. The Company is, and was at the time of the initial filing of the Registration Statement, eligible to use Form S-3 under the 1933 Act.
- (f) The documents and interactive data in eXtensible Business Reporting Language ("**XBRL**") incorporated or deemed to be incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, at the time they were filed or hereafter are filed with the Commission, complied or will comply, as the case may be, in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "**1934 Act Regulations**") and, when read together with the other information in the Prospectus, (a) at the time the Registration Statement became effective, (b) at the Applicable Time and (c) on the Closing Date, did not and will not contain an

untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- (g) The Company's most recent Annual Report on Form 10-K meets the conditions specified in General Instruction I(1) of the General Instructions for Form 10-K, and any Quarterly Report filed on Form 10-Q by the Company after the filing of the Company's most recent Annual Report on Form 10-K meets the conditions specified in General Instruction H(1) of the General Instructions for Form 10-Q.
- (h) The compliance by the Company with all of the provisions of this Agreement has been duly authorized by all necessary corporate action and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which any such party is bound or to which any of their respective properties or assets are subject that would have a material adverse effect on the business, financial condition or results of operations of the Company and its subsidiaries, taken as a whole; nor will such consummation result in any violation of the provisions of the Company's Amended Articles of Incorporation or Amended Articles of Consolidation (collectively, "**Articles**") or the Company's Regulations ("**Regulations**") or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their respective properties that would have a material adverse effect on the business, financial condition or results of operations of the Company and its subsidiaries, taken as a whole. No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, except for authorization by the Public Utilities Commission of Ohio ("**PUCO**") and registration of the offer and sale of the Bonds under the 1933 Act, qualification of the Indenture under the Trust Indenture Act of 1939 (the "**1939 Act**") and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters.
- (i) This Agreement has been duly authorized, executed and delivered by the Company.
- (j) The Original Mortgage and the Fortieth Supplemental Indenture have each been duly authorized, executed and delivered by the Company and duly qualified under the 1939 Act. The Supplemental Indenture, to be dated as of March 27, 2017, has been duly authorized by the Company and, when executed and delivered by the Company (assuming the due authorization, execution and delivery thereof by the Trustee), the Indenture will constitute a valid and legally binding instrument of the Company, enforceable against the Company in accordance with its terms,

except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

- (k) The Bonds have been duly authorized by the Company and when executed by the Company, authenticated by the Trustee (in the manner provided in the Indenture) and delivered against payment therefor will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.
- (l) The Company (i) is a corporation duly incorporated and validly existing in good standing under the laws of the State of Ohio and (ii) is duly qualified to do business in each jurisdiction where the failure to be so qualified would materially adversely affect the ability of the Company to perform its obligations under this Agreement, the Indenture or the Bonds.
- (m) The Company's "significant subsidiary" within the meaning of Rule 1-02 of Regulation S-X under the 1933 Act is Duke Energy Kentucky, Inc.

3. *Purchase, Sale and Delivery of Bonds.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of 92.587% of the principal amount of the Bonds plus accrued interest for the period from and including December 15, 2016 to but excluding the date of delivery (if the Closing Date is March 27, 2017, accrued interest should be \$1,048,333.33), the respective principal amount of Bonds set forth opposite the name of each Underwriter on Schedule A hereto plus the respective principal amount of additional Bonds which each such Underwriter may become obligated to purchase pursuant to the provisions of Section 8 hereof. The Underwriters hereby also agree to reimburse the Company for expenses incurred in connection with the offering of the Bonds in an aggregate amount equal to \$125,000.

Payment of the purchase price for the Bonds to be purchased by the Underwriters and the reimbursement referred to above shall be made at the offices of Hunton & Williams LLP, 200 Park Avenue, 52nd Floor, New York, New York 10166, or at such other place as shall be mutually agreed upon by the Representatives and the Company, at 10:00 a.m., New York City time, on March 27, 2017, or such other time and date as shall be mutually agreed upon in writing by the Representatives and the Company (the "Closing Date"). All other documents referred to herein that are to be delivered at the Closing Date shall be delivered at that time at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019. Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery of the Bonds, in fully registered form, to the Representatives for the respective accounts of the Underwriters. The Bonds shall be delivered in the form of one or more global certificates in aggregate denomination equal to the aggregate principal amount of

the Bonds upon original issuance, and registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”).

4. *Offering by the Underwriters.* It is understood that the several Underwriters propose to offer the Bonds for sale to the public as set forth in the Pricing Disclosure Package and the Prospectus.

5. *Covenants of the Company.* The Company covenants and agrees with the several Underwriters that:

- (a) The Company will cause the Preliminary Prospectus and the Prospectus to be filed pursuant to and in compliance with Rule 424(b) of the 1933 Act Regulations; the Company will advise the Underwriters promptly of (x) the filing of any amendment or supplement to the Registration Statement, the Base Prospectus, the Preliminary Prospectus or the Prospectus, and (y) the institution by the Commission of any stop order proceedings in respect of the Registration Statement. The Company will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.
- (b) If at any time when a prospectus relating to the Bonds (or the notice referred to in Rule 173(a) of the 1933 Act Regulations) is required to be delivered under the 1933 Act any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Pricing Disclosure Package or the Prospectus to comply with the 1933 Act, the Company promptly will prepare and file with the Commission an amendment, a supplement or an appropriate document pursuant to Section 13 or 14 of the 1934 Act which will correct such statement or omission or which will effect such compliance.
- (c) The Company, during the period when a prospectus relating to the Bonds is required to be delivered under the 1933 Act, will timely file all documents required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act.
- (d) Without the prior consent of the Underwriters, the Company has not made and will not make any offer relating to the Bonds that would constitute a “free writing prospectus” as defined in Rule 405 of the 1933 Act Regulations, other than the Permitted Free Writing Prospectus; each Underwriter, severally and not jointly, represents and agrees that, without the prior consent of the Company, it has not made and will not make any offer relating to the Bonds that would constitute a “free writing prospectus” as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus or a free writing prospectus that is not required to be filed by the Company pursuant to Rule 433 of the 1933 Act Regulations (“**Rule 433**”); any such free writing prospectus (which shall include the pricing term sheet discussed in Section 5(e) below), the use of which has been

consented to by the Company and the Underwriters, is specified in Item 3 of Schedule B hereto. The Company represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping.

- (e) The Company agrees to prepare a pricing term sheet specifying the terms of the Bonds not contained in the Preliminary Prospectus, substantially in the form of Schedule C hereto and approved by the Representatives on behalf of the Underwriters, and to file such pricing term sheet as an "issuer free writing prospectus" pursuant to Rule 433 prior to the close of business two business days after the date hereof.
- (f) The Company agrees that if at any time following the issuance of a Permitted Free Writing Prospectus any event occurs as a result of which such Permitted Free Writing Prospectus would conflict with the information (not superseded or modified) in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Underwriters and, if requested by the Underwriters, will prepare and furnish without charge to each Underwriter a free writing prospectus or other document, the use of which has been consented to by the Underwriters, which will correct such conflict, statement or omission; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Pricing Disclosure Package or the Prospectus.
- (g) The Company will timely make generally available to its securityholders as soon as practicable an earnings statement for the purposes of the last paragraph of Section 11(a) of the 1933 Act.
- (h) The Company will furnish to you, without charge, copies of the Registration Statement (three of which will include all exhibits other than those incorporated by reference), the Pricing Disclosure Package and the Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as you reasonably request.
- (i) The Company will arrange or cooperate in arrangements for the qualification of the Bonds for sale under the laws of such jurisdictions as you designate and will continue such qualifications in effect so long as required for the distribution; provided, however, that the Company shall not be required to qualify as a foreign corporation or to file any general consent to service of process under the laws of any state where it is not now so subject.

- (j) The Company will pay all expenses incident to the performance of its obligations under this Agreement including (i) the printing and filing of the Registration Statement and the printing of this Agreement and any Blue Sky Survey, (ii) the preparation and printing of certificates for the Bonds, (iii) the issuance and delivery of the Bonds as specified herein, (iv) the fees and disbursements of counsel for the Underwriters in connection with the qualification of the Bonds under the securities laws of any jurisdiction in accordance with the provisions of Section 5(i) and in connection with the preparation of the Blue Sky Survey (such fees not to exceed \$5,000), (v) the printing and delivery to the Underwriters, in quantities as hereinabove referred to, of copies of the Registration Statement and any amendments thereto, of the Preliminary Prospectus, of the Prospectus, of any Permitted Free Writing Prospectus and any amendments or supplements thereto, (vi) any fees charged by independent rating agencies for rating the Bonds, (vii) any fees and expenses in connection with the listing of the Bonds on the New York Stock Exchange, (viii) any filing fee required by the Financial Industry Regulatory Authority, (ix) the costs of any depository arrangements for the Bonds with DTC or any successor depository and (x) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Bonds, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the Underwriters and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show; provided, however, the Underwriters shall reimburse a portion of the costs and expenses referred to in this clause (x).

6. *Conditions of the Obligations of the Underwriters.* The obligations of the several Underwriters to purchase and pay for the Bonds will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of officers of the Company made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

- (a) The Prospectus shall have been filed by the Company with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the 1933 Act Regulations, and each Permitted Free Writing Prospectus shall have been filed by the Company with the Commission pursuant to Rule 433 within the applicable time period prescribed for such filing by the 1933 Act Regulations (to the extent so required).
- (b) On or after the Applicable Time and prior to the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the 1933 Act shall have been instituted or, to the knowledge of the Company or you, shall be threatened by the Commission.

- (c) On or after the Applicable Time and prior to the Closing Date, the rating assigned by Moody's Investors Service, Inc., or Standard & Poor's Ratings Services (or any of their successors) to any debt securities or preferred stock of the Company as of the date of this Agreement shall not have been lowered.
- (d) Since the respective most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus and up to the Closing Date, there shall not have been any material adverse change in the condition of the Company and its subsidiaries, taken as a whole, financial or otherwise, except as reflected in or contemplated by the Pricing Disclosure Package and the Prospectus, and since such dates and up to the Closing Date, there shall not have been any material transaction entered into by the Company other than transactions contemplated by the Pricing Disclosure Package and the Prospectus and transactions in the ordinary course of business, the effect of which in your reasonable judgment is so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Pricing Disclosure Package and the Prospectus.
- (e) You shall have received an opinion of Richard G. Beach, Esq., Associate General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation (who in such capacity provides legal services to the Company) (or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in house" counsel), dated the Closing Date, to the effect that:
 - (i) The Company is a corporation duly organized and validly existing in good standing under the laws of the State of Ohio, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement.
 - (ii) The Company is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure would not, singularly or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, stockholder's equity, results of operations, business or prospects of the Company and its subsidiaries, taken as a whole, and to own and operate the properties in use in such business.
 - (iii) Each of the Company's subsidiaries is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization and has due corporate and governmental authority to carry on the business in which it is engaged, except where the failure would not, singularly or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, stockholder's equity, results of operations, business or prospects of the Company and its subsidiaries,

taken as a whole, and to own and operate the properties in use in such businesses.

- (iv) The execution, delivery and performance of this Agreement, the Indenture and the Bonds and compliance by the Company with its obligations under this Agreement, the Indenture and the Bonds will not conflict with, or result in any charge or encumbrance upon any of the assets of the Company (other than pursuant to the Indenture) pursuant to the terms of, or constitute a default under, any agreement, indenture or instrument known to such counsel, or result in a violation of the Articles or Regulations of the Company (as in effect on the Closing Date) or any order, rule or regulation (also as in effect on the Closing Date) of any court or governmental agency having jurisdiction over the Company, and the issuance of the Bonds in accordance with the Indenture and the sale of the Bonds in accordance with this Agreement, do not and will not result in any violation by the Company of any of the terms or provisions of the Articles or Regulations, or of the Indenture, or any mortgage or other agreement or instrument known to such counsel by which the Company is bound.
- (v) The Indenture, including the Supplemental Indenture, is in due and proper form, has been duly and validly authorized by all necessary corporate action, has been duly executed and delivered by the Company, qualified under the 1939 Act, and, assuming due authorization, execution and delivery by the Trustee, the Indenture is a valid and binding instrument of the Company, enforceable in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.
- (vi) The issue of the Bonds by the Company in accordance with the terms of the Indenture has been duly authorized by all necessary corporate action; when duly executed by the Company, authenticated by the Trustee and delivered to and paid for by the Underwriters pursuant to this Agreement, the Bonds will constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, secured by the lien of and entitled to the benefits provided by the Indenture, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.
- (vii) The Company has good and marketable title to the properties, rights and assets described in and conveyed by the Indenture and not released by the Trustee from the lien thereof prior to the time of delivery of the Bonds, subject only to the lien of the Indenture and to "permitted liens" as defined

in the Indenture; the description in the Indenture of such properties, rights and assets is adequate to constitute the Indenture a lien thereon; the Indenture complies with all applicable laws of the State of Ohio (wherein the properties subjected or intended to be subject to the lien of the Indenture are located), including all applicable recording laws, and, subject only to the matters referred to above, constitutes a valid and direct first lien on such properties, rights and assets, which include substantially all of the Company's tangible electric transmission and distribution utility property located in Ohio, together with the Company's recorded easements and rights of way, franchises, licenses, permits, grants, immunities, privileges and rights that are used or useful in the operation of such property; and all tangible electric transmission and distribution utility property located in Ohio acquired by the Company subsequent to the time of issuance of the Bonds will be subject to the lien of the Indenture, subject, however, to "permitted liens" as defined in the Indenture.

- (viii) The Indenture, other than the Supplemental Indenture, has been duly filed for record in such manner and in such places as are required by law in order to give constructive notice of, and to establish, preserve and protect the lien of, the Indenture on all property of the Company of every kind referred to in the Indenture as subject to the lien thereof.
- (ix) Except as referred to in the Pricing Disclosure Package and the Prospectus, there is no action, suit or proceeding, inquiry or investigation, at law or in equity or before or by any court, public board or body, pending or, to such counsel's knowledge, threatened against or affecting the Company, wherein an unfavorable decision, ruling or finding would (i) materially and adversely affect the condition (financial or otherwise), results of operations, business or properties of the Company or (ii) materially and adversely affect the transactions contemplated by this Agreement, or which would adversely affect the validity or enforceability of the Indenture or the Bonds. The descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and such counsel does not know of any litigation or any legal or governmental proceeding instituted or threatened against the Company or any of its properties that would be required to be disclosed in the Registration Statement, the Pricing Disclosure Package or the Prospectus and is not so disclosed.
- (x) Orders of the PUCO issued on June 8, 2016 in Case No. 16-637-GE-AIS and on March 8, 2017 in Case No. 16-637-GE-AIS, respectively, relating to the issuance of the Bonds have been duly entered and, to such counsel's knowledge, have not been modified or repealed in any respect and are in full force and effect. The issuance and sale of the Bonds to the Underwriters are in conformity with the terms of such orders. Except as may be required under the 1933 Act or the securities or Blue Sky laws of

any jurisdiction, no further consent, approval, authorization or order of, or registration or filing with, any court or governmental or public agency, authority or body is required with respect to the Company for the execution, delivery and performance of this Agreement, the Indenture or the Bonds, the issuance by the Company of the Bonds or the consummation by the Company of the transactions contemplated by this Agreement, the Indenture or the Bonds.

(xi) This Agreement has been duly authorized, executed and delivered by the Company.

In addition, such counsel shall state that no facts have come to such counsel's attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of its date and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express an opinion as to (i) the financial statements and other financial and accounting data included or incorporated by reference therein or excluded therefrom, including XBRL interactive data, (ii) the statement of the eligibility and qualification of the Trustee included in the Registration Statement or (iii) the information in the Prospectus Supplement under the caption "Book-Entry System"). Such counsel shall further state that, in addition, no facts have come to such counsel's attention that have caused such counsel to believe that the Pricing Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that such counsel need not express an opinion as to (i) the financial statements and other financial and accounting data included or incorporated by reference therein or excluded therefrom, including XBRL interactive data, (ii) the statement of the eligibility and qualification of the Trustee included in the Registration Statement or (iii) the information in the Prospectus Supplement under the caption "Book-Entry System").

Such counsel shall expressly authorize the Underwriters to rely on such counsel's opinion dated the Closing Date delivered to the Trustee pursuant to the Indenture.

In rendering the foregoing opinion, such counsel may state that such counsel does not express any opinion concerning any law other than the laws of the State of Ohio and the Commonwealth of Kentucky.

(f) You shall have received an opinion of Hunton & Williams LLP, counsel to the Company, dated the Closing Date, to the effect that:

- (i) The Supplemental Indenture has been duly authorized, executed and delivered by the Company, and assuming due authorization, execution and delivery by the Trustee, the Indenture constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect, and to general principals of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law).
- (ii) The Bonds have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters pursuant to this Agreement, will constitute legal, valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principals of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law).
- (iii) This Agreement has been duly authorized, executed and delivered by the Company.
- (iv) The statements set forth in the Pricing Disclosure Package and the Prospectus under the captions "Description of the Mortgage Bonds" and "Description of First Mortgage Bonds," insofar as such statements purport to summarize certain provisions of the Indenture and the Bonds, fairly summarize such provisions in all material respects.
- (v) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Certain U.S. Federal Income Tax Considerations for Non-U.S. Holders," insofar as they purport to constitute summaries of matters of United States federal income tax law, constitute accurate and complete summaries, in all material respects, subject to the qualifications set forth therein.
- (vi) The Company is not, and solely after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Prospectus, will not be subject to registration and regulation as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

In rendering the foregoing opinions, such counsel may state that it has relied as to certain factual matters on information obtained from public officials, officers and representatives of the Company and has assumed that the signatures on all documents examined by it are genuine, and that such counsel has not independently verified such factual matters or assumptions. In giving their opinion, such counsel may rely on the opinion of Richard G. Beach, Esq., as to matters of Ohio and Kentucky law.

You shall also have received a statement of Hunton & Williams LLP, dated the Closing Date, to the effect that:

- (1) no facts have come to such counsel's attention that have caused such counsel to believe that the documents filed by the Company under the 1934 Act and the 1934 Act Regulations that are incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, when filed, were not, on their face, appropriately responsive in all material respects to the requirements of the 1934 Act and the 1934 Act Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements or the Form T-1);
- (2) no facts have come to such counsel's attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time and the Prospectus, as of its date, were not, on their face, appropriately responsive in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements or the Form T-1); and
- (3) no facts have come to such counsel's attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of its date and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom including XBRL interactive data, or the statements contained in the exhibits to the Registration Statement, including the Form T-1).

Such counsel shall further state that, in addition, no facts have come to such counsel's attention that have caused such counsel to believe that the Pricing Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom including XBRL interactive data, or the statements contained in the exhibits to the Registration Statement, including the Form T-1).

In addition, such statement shall confirm that the Prospectus has been filed with the Commission within the time period required by Rule 424 of the 1933 Act Regulations and any required filing of a Permitted Free Writing Prospectus pursuant to Rule 433 of the 1933 Act Regulations has been filed with the Commission within the time period required by Rule 433(d) of the 1933 Act Regulations. Such statement shall further state that assuming the accuracy of the factual matters contained in the representations and warranties of the Company set forth in Section 2 of this Agreement, the Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations and, pursuant to Section 309 of the 1939 Act, the Indenture has been qualified under the 1939 Act, and that based solely on such counsel's review of the Commission's website, no stop order suspending the effectiveness of the Registration Statement has been issued and, to such counsel's knowledge, no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

In addition, such counsel may state that such counsel does not pass upon, or assume any responsibility for, the accuracy, completeness or fairness of the statements contained or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus and has made no independent check or verification thereof (except to the limited extent referred to in Section 6(f) (iv) above).

- (g) You shall have received opinions and statements of Sidley Austin LLP, counsel for the Underwriters, dated the Closing Date, as to such matters as you may reasonably request; the Company shall have furnished Sidley Austin LLP with such documents as it reasonably requests for the purpose of enabling it to satisfy such request. In giving its opinion, Sidley Austin LLP may rely on the opinions of Richard G. Beach, Esq., Associate General Counsel of Duke Energy Business Services LLC, the service company affiliate of the Company (or other appropriate counsel reasonably satisfactory to the Representatives) as to matters of Ohio and Kentucky law.
- (h) On or after the date hereof, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally or of the securities of Duke Energy Corporation on the New York Stock Exchange; or (ii) a

general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities or a material disruption in commercial banking services or securities settlement or clearance services in the United States; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this subsection (h) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus. In such event there shall be no liability on the part of any party to any other party except as otherwise provided in Section 7 hereof and except for the expenses to be borne by the Company as provided in Section 5(j) hereof.

- (i) You shall have received a certificate of the Chairman of the Board, the President, any Vice President, the Secretary or an Assistant Secretary and any financial or accounting officer of the Company, dated the Closing Date, in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct as of the Closing Date, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date, that the conditions specified in Section 6(c) and Section 6(d) have been satisfied, and that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened by the Commission.
- (j) At the time of the execution of this Agreement, you shall have received a letter dated such date, in form and substance satisfactory to you, from Deloitte & Touche LLP, the Company's independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, including specific references to inquiries regarding any increase in long-term debt (excluding current maturities), decrease in net current assets (defined as current assets less current liabilities) or stockholder's equity, and decrease in operating revenues or net income for the period subsequent to the latest financial statements incorporated by reference in the Registration Statement, as compared with the corresponding period in the preceding year, as of a specified date not more than three business days prior to the date of this Agreement.
- (k) At the Closing Date, you shall have received from Deloitte & Touche LLP, a letter dated as of the Closing Date, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (j) of this Section 6, except that the specified date referred to shall be not more than three business days prior to the Closing Date.

- (l) An appropriate order from the PUCO necessary to permit the issue and sale of the Bonds as contemplated hereby and containing no material provision or condition which is unacceptable to the Company or the Underwriters shall be in effect and no proceedings to suspend the effectiveness of such order shall be pending or threatened.

The Company will furnish you with such conformed copies of such opinions, certificates, letters and documents as you reasonably request.

7. *Indemnification.* (a) The Company agrees to indemnify and hold harmless each Underwriter, their respective officers and directors, and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act, as follows:

- (i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto) including the Rule 430B Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission or such alleged statement or omission was made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus;
- (ii) against any and all loss, liability, claim, damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and
- (iii) against any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) of this Section 7.

In no case shall the Company be liable under this indemnity agreement with respect to any claim made against any Underwriter or any such controlling person unless the Company shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof, but failure so to notify the Company shall not relieve it from any liability which it may have otherwise than under subsections 7(a) and 7(d). The Company shall be entitled to participate at its own expense in the defense, or if it so elects within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Underwriter or Underwriters or controlling person or persons, or defendant or defendants in any suit so brought, which approval shall not be unreasonably withheld. In any such suit, any Underwriter or any such controlling person shall have the right to employ its own counsel, but the fees and expenses of such counsel shall be at the expense of such Underwriter or such controlling person unless (i) the Company and such Underwriter shall have mutually agreed to the employment of such counsel, or (ii) the named parties to any such action (including any impleaded parties) include both such Underwriter or such controlling person and the Company and such Underwriter or such controlling person shall have been advised by such counsel that a conflict of interest between the Company and such Underwriter or such controlling person may arise and for this reason it is not desirable for the same counsel to represent both the indemnifying party and also the indemnified party (it being understood however, that the Company shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all such Underwriters and all such controlling persons, which firm shall be designated in writing by you). The Company agrees to notify you within a reasonable time of the assertion of any claim against it, any of its officers or directors or any person who controls the Company within the meaning of Section 15 of the 1933 Act, in connection with the sale of the Bonds.

- (b) Each Underwriter severally agrees that it will indemnify and hold harmless the Company, its directors and each of the officers of the Company who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act to the same extent as the indemnity contained in subsection (a) of this Section 7, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Company or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each person so

indemnified shall have the rights and duties given to the Underwriters, by the provisions of subsection (a) of this Section 7.

- (c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.
- (d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds. If however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, or if the indemnified party failed to give the notice required above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total compensation received by the Underwriters in respect of the underwriting discount as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to above in this Section 7 shall be deemed to include any legal or other expenses

reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Bonds underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

8. *Default by One or More of the Underwriters.* (a) If any Underwriter shall default in its obligation to purchase the principal amount of the Bonds which it has agreed to purchase hereunder on the Closing Date, you may in your discretion arrange for you or another party or other parties to purchase such Bonds on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Bonds, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Bonds on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Bonds, or the Company notifies you that it has so arranged for the purchase of such Bonds, you or the Company shall have the right to postpone such Closing Date for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Pricing Disclosure Package or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement, the Pricing Disclosure Package or the Prospectus which may be required. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section 8 with like effect as if such person had originally been a party to this Agreement with respect to such Bonds.

- (b) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains unpurchased does not exceed one-tenth of the aggregate amount of all the Bonds to be purchased at such Closing Date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the amount of Bonds which such Underwriter agreed to purchase hereunder at such Closing Date and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the amount of Bonds which such Underwriter agreed to purchase hereunder) of the Bonds of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.
- (c) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains

unpurchased exceeds one-tenth of the aggregate amount of all the Bonds to be purchased at such Closing Date, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase the Bonds of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company as provided in Section 5(j) hereof and the indemnity and contribution agreement in Section 7 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

9. *Representations and Indemnities to Survive Delivery.* The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or the Company, or any of its officers or directors or any controlling person, and will survive delivery of and payment for the Bonds.

10. *Reliance on Your Acts.* In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives.

11. *No Fiduciary Relationship.* The Company acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Company on the one hand, and the Underwriters on the other hand, (ii) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company or its shareholders, creditors, employees, or any other party, (iii) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) and no Underwriter has any obligation to the Company with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (iv) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (v) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the transaction contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

12. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed or telecopied and confirmed to Citigroup Global Markets Inc., 388 Greenwich Street, New York, NY 10013 (fax no.: (646) 291-1469); Loop Capital Markets LLC, 111 W. Jackson Blvd., Suite 1901, Chicago, IL 60604 (fax no.: (312) 913-4900); or, if sent to the Company, will be mailed or telecopied and confirmed to it at 550 S. Tryon Street, Charlotte, North Carolina 28202 (fax no.: (980) 373-4723), attention of Treasurer. Any such communications shall take effect upon receipt thereof.

13. *Business Day.* As used herein, the term “business day” shall mean any day when the Commission’s office in Washington, D.C. is open for business.

14. *Successors.* This Agreement shall inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons, officers and directors referred to in Section 7 and their respective successors, heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained; this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons, officers and directors and their respective successors, heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Bonds from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

15. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

16. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

If the foregoing is in accordance with your understanding, kindly sign and return to us two counterparts hereof, and upon confirmation and acceptance by the Underwriters, this letter and such confirmation and acceptance will become a binding agreement between the Company, on the one hand, and each of the Underwriters, on the other hand, in accordance with its terms.

Very truly yours,

DUKE ENERGY OHIO, INC.

By: /s/ John L. Sullivan, III
Name: John L. Sullivan, III
Title: Assistant Treasurer

[Remainder of page left blank intentionally]

[Signature Page to the Underwriting Agreement]

The foregoing Underwriting Agreement is hereby
confirmed and accepted as of the date first above written:

CITIGROUP GLOBAL MARKETS INC.

LOOP CAPITAL MARKETS LLC

/s/ Adam D. Bordner

Name: Adam D. Bordner
Title: Vice President

/s/ Sidney Dillard

Name: Sidney Dillard
Title: Partner

For themselves and as Representatives of the several Underwriters named on Schedule A hereto.

[Signature Page to the Underwriting Agreement]

SCHEDULE A

<u>Underwriter</u>	<u>Principal Amount of Bonds</u>
Citigroup Global Markets Inc.	\$ 50,000,000
Loop Capital Markets LLC	50,000,000
Total	<u>\$ 100,000,000</u>

A-1

SCHEDULE B

PRICING DISCLOSURE PACKAGE

Item

- 1) Base Prospectus
- 2) Preliminary Prospectus Supplement dated March 22, 2017
- 3) Permitted Free Writing Prospectuses
 - a) Pricing Term Sheet attached as Schedule C hereto

SCHEDULE C

*Filed pursuant to Rule 433
March 22, 2017
Relating to
Preliminary Prospectus Supplement dated March 22, 2017 to
Prospectus dated September 23, 2016
Registration Statement No. 333-213765-02*

**Duke Energy Ohio, Inc.
\$100,000,000 First Mortgage Bonds,
3.70% Series, Due June 15, 2046**

Pricing Term Sheet

Issuer:	Duke Energy Ohio, Inc.
Settlement Date:	March 27, 2017 (T+3)
Security Description:	First Mortgage Bonds, 3.70% Series, Due June 15, 2046 (the “ Mortgage Bonds ”)
Principal Amount:	\$100,000,000
	The Mortgage Bonds will be part of the same series of mortgage bonds as the \$250,000,000 aggregate principal amount of Duke Energy Ohio’s First Mortgage Bonds, 3.70% Series, Due June 15, 2046 offered and sold by the prospectus supplement dated June 20, 2016 and the accompanying prospectus.
Interest Payment Dates:	June 15 and December 15 of each year, beginning on June 15, 2017
Maturity Date:	June 15, 2046
Benchmark Treasury:	2.875% due November 15, 2046
Benchmark Treasury Yield:	3.015%
Spread to Benchmark Treasury:	+ 107 basis points
Yield to Maturity:	4.085%
Coupon:	3.70%
Price to Public:	93.462% per Mortgage Bond, plus accrued interest of \$1,048,333.33 for the period from and including

December 15, 2016 to but excluding the date of delivery

Redemption Provisions:

At any time before December 15, 2045 (which is the date that is six months prior to maturity of the Mortgage Bonds (the “**Par Call Date**”)), the Mortgage Bonds will be redeemable in whole or in part, at the issuer’s option at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of the Mortgage Bonds being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Mortgage Bonds being redeemed that would be due if the Mortgage Bonds matured on the Par Call Date (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus 20 basis points, plus, in each case, accrued and unpaid interest on the principal amount of the Mortgage Bonds being redeemed to, but excluding, the date of redemption.

At any time on or after the Par Call Date, the Mortgage Bonds will be redeemable in whole or in part, at the issuer’s option at any time, at a redemption price equal to 100% of the principal amount of the Mortgage Bonds being redeemed plus accrued and unpaid interest on the principal amount of the Mortgage Bonds being redeemed to, but excluding, the date of redemption.

CUSIP / ISIN:

26442E AE0 / US26442EAE05

Joint Book-Running Managers:

Citigroup Global Markets Inc.
Loop Capital Markets LLC

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Citigroup Global Markets Inc. toll-free at (800) 831-9146 or Loop Capital Markets LLC toll-free at (888) 294-8898.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): May 9, 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 2.02 Results of Operations and Financial Conditions.

On May 9, 2017, Duke Energy Corporation issued a news release announcing its financial results for the first quarter ended March 31, 2017. 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 May 9, 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. CURENS JR.

William E. Currens Jr.

Senior Vice President, Chief Accounting Officer and Controller

Dated: May 9, 2017

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	News Release issued by Duke Energy Corporation on May 9, 2017

News Release



Media Contact: Catherine Butler
24-Hour: 800.559.3853

Analysts: Mike Callahan
Office: 704.382.0459

May 9, 2017

Duke Energy reports first quarter 2017 financial results

- **First quarter 2017 GAAP reported diluted earnings per share (EPS) was \$1.02 compared to \$1.01 in 2016; adjusted diluted EPS was \$1.04 for the first quarter of 2017 compared to \$1.13 for the first quarter of 2016**
- **Fundamentals of the business are strong despite warm winter weather in the first quarter**
- **Company remains on track to achieve its 2017 adjusted diluted earnings guidance range of \$4.50 to \$4.70 per share**

CHARLOTTE, N.C. - Duke Energy today announced first quarter 2017 reported diluted EPS, prepared in accordance with Generally Accepted Accounting Principles (GAAP) of \$1.02, compared to \$1.01 for the first quarter of 2016. Duke Energy's first quarter 2017 adjusted diluted EPS was \$1.04, compared to \$1.13 for the first quarter 2016.

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 the Piedmont Natural Gas merger.

Adjusted diluted EPS for the first quarter of 2017 was lower than the prior year, primarily due to the absence of International Energy, which was sold in December 2016, and warm winter weather. Partially offsetting these drivers were the contributions of Piedmont Natural Gas and favorable operations and maintenance (O&M) expense at Electric Utilities and Infrastructure.

Based upon the results through the first quarter, the company remains on track to achieve its 2017 adjusted diluted earnings guidance range of \$4.50 to \$4.70 per share.

"We have a compelling strategy to deliver value to our stakeholders, and we are making good progress against our plan," said Lynn Good, Duke Energy chairman, president and CEO, "We recently announced Power/Forward Carolinas, our 10-year grid modernization plan in North Carolina. This program and others like it will not only strengthen the energy grid, but will also stimulate economic development and job growth in our communities and provide additional benefits for our customers."

"Our ongoing investments drove solid growth in our electric and gas utilities in the quarter, and we are responding to warm winter weather through disciplined cost management and operational efficiency. We remain on-track for 2017 and have affirmed our full-year guidance range."

Business segment results

In addition to the following summary of first quarter 2017 business segment performance, a comprehensive table with detailed earnings per share drivers for the first quarter 2017, compared to prior year, is provided on page 17.

The discussion below of the first quarter results includes both GAAP segment income and adjusted segment income, which is a non-GAAP financial measure. The tables on pages 8 and 9 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. Prior periods have been recast to conform to the current segment structure.

Electric Utilities and Infrastructure

On a reported and adjusted basis, Electric Utilities and Infrastructure recognized first quarter 2017 segment income of \$635 million, compared to \$664 million in the first quarter of 2016, a decrease of \$0.03 per share, excluding share dilution of \$0.02 cents per share.

Lower quarterly results at Electric Utilities and Infrastructure were primarily driven by warm winter weather compared to the prior year (-\$0.14 per share), across all jurisdictions.

This unfavorable driver was partially offset by:

- Lower O&M expenses (+\$0.08 per share), due to reduced storm restoration costs compared to prior year and ongoing cost savings initiatives
- Higher retail revenues from increased pricing, riders and volumes (+\$0.04 per share) driven by new rates in Duke Energy Progress South Carolina, base rate adjustments in Florida, and energy efficiency rider revenues at Duke Energy Carolinas

Gas Utilities and Infrastructure

Gas Utilities and Infrastructure recognized first quarter 2017 reported and adjusted segment income of \$133 million, compared to \$32 million in the first quarter of 2016, an increase of \$0.14 per share.

Higher quarterly results at Gas Utilities and Infrastructure were primarily driven by:

- Contribution from Piedmont Natural Gas (+\$0.14 per share), which was acquired in October 2016, before debt financing costs that are included in Other, and share dilution
- Higher earnings from mid-stream pipeline investments (+\$0.01 per share)

Commercial Renewables

On a reported and adjusted basis, Commercial Renewables recognized first quarter 2017 segment income of \$25 million, compared to \$26 million in the first quarter of 2016. Higher earnings from new wind projects brought on-line in late 2016 (+\$0.01 per share) were offset by lower solar ITCs in the current year (-\$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 including NMC, an equity method investment.

On a reported basis, Other recognized first quarter 2017 net expense of \$77 million, compared to net expense of \$148 million in the first quarter of 2016. In addition to the drivers outlined below, quarterly results were impacted by lower costs to achieve mergers and charges related to cost savings initiatives in the prior year. These charges were treated as special items and therefore excluded from adjusted earnings.

On an adjusted basis, Other recognized first quarter 2017 adjusted net expense of \$67 million, compared to adjusted net expense of \$62 million in the first quarter of 2016, a decrease of \$0.01 per share. Lower quarterly results at Other were driven by higher interest expense at the holding company, primarily resulting from the Piedmont Natural Gas acquisition financing (-\$0.02 per share), partially offset by higher earnings from NMC (+\$0.01 per share).

Duke Energy's consolidated reported effective tax rate for first quarter 2017 was 32.4 percent, compared to 30.4 percent in the first quarter of 2016. The consolidated adjusted effective tax rate for first quarter 2017 was 32.5 percent, compared to 25.6 percent in 2016. Adjusted effective tax rate is a non-GAAP financial measure. The tables on pages 10 and 11 present a reconciliation of the GAAP reported effective tax rate to the adjusted effective tax rate.

Discontinued Operations

Duke Energy's first quarter 2016 Income from Discontinued Operations includes the operating results of the International Disposal Group of \$117 million, which were included in adjusted earnings.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today to discuss the first quarter 2017 financial results 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 877-675-4757 in the United States or 719-325-4760 outside the United States. The confirmation code is 9134940. Please call in 10 to 15 minutes prior to the scheduled start time.

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A replay of the conference call will be available until 1 p.m. ET, May 19, 2017, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code 9134940. 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 table presents a reconciliation of GAAP reported to adjusted diluted EPS for first quarter 2017 and 2016 financial results:

(In millions, except per-share amounts)	After-Tax Amount	1Q 2017 EPS	1Q 2016 EPS
Diluted EPS, as reported		\$ 1.02	\$ 1.01
Adjustments to reported EPS:			
First Quarter 2017			
Costs to achieve Piedmont merger	\$ 10	0.02	
First Quarter 2016			
Costs to achieve mergers	74		0.11
Cost savings initiatives	12		0.02
Discontinued operations ^(a)	(3)		(0.01)
Total adjustments		\$ 0.02	\$ 0.12
Diluted EPS, adjusted		\$ 1.04	\$ 1.13

(a) Represents GAAP reported Income from Discontinued Operations less the International Disposal Group operating results, which are included in adjusted earnings.

Non-GAAP financial measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS.

Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items represent certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation (GAAP Reported Earnings) and Diluted EPS Attributable to Duke Energy Corporation common stockholders (GAAP Reported EPS), respectively.

Special items included in the periods presented include the following items which management believes do not reflect ongoing costs:

- Costs to achieve mergers represent charges resulting from potential or completed strategic acquisitions.
- Cost savings initiatives represents severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.

Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

Headquartered in Charlotte, N.C., Duke Energy is one of the largest energy holding companies in the United States. Its Electric Utilities and Infrastructure business unit serves approximately 7.5 million customers located in six states in the Southeast and Midwest. The company's Gas Utilities and Infrastructure business unit distributes natural gas to approximately 1.6 million

customers in the Carolinas, Ohio, Kentucky and Tennessee. Its Commercial Renewables business unit operates a growing renewable energy portfolio across the United States.

Duke Energy is a Fortune 125 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 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; 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 private solar and battery storage, in Duke Energy's service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; advancements in technology; additional competition in electric and gas markets and continued industry consolidation; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; the ability to successfully operate electric generating

facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; the ability to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; operational interruptions to our gas distribution and transmission activities; the availability of adequate interstate pipeline transportation capacity and natural gas supply; the impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, and other catastrophic events such as fires, explosions, pandemic health events or other similar occurrences; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third party service providers; the timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; the results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations and general economic conditions; the credit ratings may be different from what the company and its subsidiaries expect; declines in the market prices of equity and fixed income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans, and nuclear decommissioning trust funds; construction and development risks associated with the completion of Duke Energy and its subsidiaries' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner or at all; changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; the ability to control operation and maintenance costs; the level of creditworthiness of counterparties to transactions; employee workforce factors, including the potential inability to attract and retain key personnel; the ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; substantial revision to the U.S. tax code, such as changes to the corporate tax rate or a material change in the deductibility of interest; the impact of potential goodwill impairments; the ability to successfully complete future merger, acquisition or divestiture plans; 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.

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

	Reported Earnings	Special Item	Adjusted Earnings
		Costs to Achieve Piedmont Merger	
SEGMENT INCOME			
Electric Utilities and Infrastructure	\$ 635	\$ —	\$ 635
Gas Utilities and Infrastructure	133	—	133
Commercial Renewables	25	—	25
Total Reportable Segment Income	793	—	793
Other	(77)	10 A	(67)
Net Income Attributable to Duke Energy Corporation	\$ 716	\$ 10	\$ 726
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.02	\$ 0.02	\$ 1.04

A - Net of \$6 million tax benefit. \$15 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

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

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

	Reported Earnings	Special Items			Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Mergers	Cost Savings Initiatives	International Energy Operations			
SEGMENT INCOME							
Electric Utilities and Infrastructure	\$ 664	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 664
Gas Utilities and Infrastructure	32	—	—	—	—	—	32
Commercial Renewables	26	—	—	—	—	—	26
Total Reportable Segment Income	722	—	—	—	—	—	722
International Energy	—	—	—	117 C	—	117	117
Other	(148)	74 A	12 B	—	—	86	(62)
Discontinued Operations	120	—	—	(117) C	(3) D	(120)	—
Net Income Attributable to Duke Energy Corporation	\$ 694	\$ 74	\$ 12	\$ —	\$ (3)	\$ 83	\$ 777
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.01	\$ 0.11	\$ 0.02	\$ —	\$ (0.01)	\$ 0.12	\$ 1.13

A - Net of \$46 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$19 million recorded within Operating Expenses and \$100 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of \$8 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

C - Includes \$39 million tax benefit. Operating results of the International Disposal Group classified as discontinued operations.

D - Recorded in Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 689 million

DUKE ENERGY CORPORATION
ADJUSTED EFFECTIVE TAX RECONCILIATION
Three Months Ended March 31, 2017
(Dollars in Millions)

	Three Months Ended March 31, 2017	
	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 1,061	
Costs to Achieve Piedmont Merger	16	
Noncontrolling Interests	(1)	
Adjusted Pretax Income	\$ 1,076	
Reported Income Tax Expense From Continuing Operations	\$ 344	32.4%
Costs to Achieve Piedmont Merger	6	
Adjusted Tax Expense	\$ 350	32.5% *

*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 Ended March 31, 2016
(Dollars in Millions)

	Three Months Ended March 31, 2016	
	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 829	
Costs to Achieve Mergers	120	
Cost Savings Initiatives	20	
International Energy Operations	78	
Noncontrolling Interests	(3)	
Adjusted Pretax Income	\$ 1,044	
Reported Income Tax Expense From Continuing Operations	\$ 252	30.4%
Costs to Achieve Mergers	46	
Cost Savings Initiatives	8	
International Energy Operations	(39)	
Adjusted Tax Expense	\$ 267	25.6% *

*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.

March 2017
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions, except per-share amounts and where noted)</i>	Three Months Ended March 31,	
	2017	2016
Earnings Per Share - Basic and Diluted		
Income from continuing operations attributable to Duke Energy Corporation common stockholders		
Basic	\$ 1.02	\$ 0.83
Diluted	\$ 1.02	\$ 0.83
Income from discontinued operations attributable to Duke Energy Corporation common stockholders		
Basic	\$ —	\$ 0.18
Diluted	\$ —	\$ 0.18
Net income attributable to Duke Energy Corporation common stockholders		
Basic	\$ 1.02	\$ 1.01
Diluted	\$ 1.02	\$ 1.01
Weighted average shares outstanding		
Basic	700	689
Diluted	700	689
INCOME (LOSS) BY BUSINESS SEGMENT		
Electric Utilities and Infrastructure	\$ 635	\$ 664
Gas Utilities and Infrastructure ^(a)	133	32
Commercial Renewables	25	26
Total Reportable Segment Income	793	722
Other ^{(b)(c)}	(77)	(148)
Income from Discontinued Operations, net of tax	—	120
Net Income Attributable to Duke Energy Corporation	\$ 716	\$ 694
CAPITALIZATION		
Total Common Equity (%)	44%	48%
Total Debt (%)	56%	52%
Total Debt	\$ 52,556	\$ 43,072
Book Value Per Share	\$ 58.84	\$ 57.98
Actual Shares Outstanding	700	689
CAPITAL AND INVESTMENT EXPENDITURES		
Electric Utilities and Infrastructure	\$ 1,874	\$ 1,439
Gas Utilities and Infrastructure	341	55
Commercial Renewables	59	167
Other ^(d)	61	43
Total Capital and Investment Expenditures	\$ 2,335	\$ 1,704

Note: Prior period amounts have been recast to conform to the current segment structure.

(a) Includes \$99 million of Piedmont's earnings for the three months ended March 31, 2017.

(b) Includes costs to achieve mergers of \$10 million (net of tax of \$6 million) for the three months ended March 31, 2017, and \$74 million (net of tax of \$46 million) for the three months ended March 31, 2016.

(c) Includes a charge of \$12 million (net of tax of \$8 million) for the three months ended March 31, 2016, primarily consisting of severance expense related to cost savings initiatives.

(d) Includes capital expenditures of the International Disposal Group prior to the sale for the three months ended March 31, 2016.

March 2017
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions)</i>	Three Months Ended	
	March 31,	
	2017	2016
ELECTRIC UTILITIES AND INFRASTRUCTURE		
Operating Revenues	\$ 4,947	\$ 5,089
Operating Expenses		
Fuel used in electric generation and purchased power	1,454	1,577
Operation, maintenance and other	1,271	1,298
Depreciation and amortization	737	709
Property and other taxes	261	262
Impairment charges	—	2
Total operating expenses	<u>3,723</u>	<u>3,848</u>
Gains on Sales of Other Assets and Other, net	<u>3</u>	<u>1</u>
Operating Income	1,227	1,242
Other Income and Expenses	79	63
Interest Expense	<u>315</u>	<u>270</u>
Income Before Income Taxes	991	1,035
Income Tax Expense	<u>356</u>	<u>371</u>
Segment Income	<u>\$ 635</u>	<u>\$ 664</u>
GAS UTILITIES AND INFRASTRUCTURE		
Operating Revenues	\$ 670	\$ 170
Operating Expenses		
Cost of natural gas	258	49
Operation, maintenance and other	105	32
Depreciation and amortization	57	20
Property and other taxes	30	18
Total operating expenses	<u>450</u>	<u>119</u>
Operating Income	220	51
Other Income and Expenses	18	3
Interest Expense	<u>26</u>	<u>7</u>
Income Before Income Taxes	212	47
Income Tax Expense	<u>79</u>	<u>15</u>
Segment Income	<u>\$ 133</u>	<u>\$ 32</u>
COMMERCIAL RENEWABLES		
Operating Revenues	\$ 128	\$ 114
Operating Expenses		
Operation, maintenance and other	77	73
Depreciation and amortization	39	30
Property and other taxes	9	6
Total operating expenses	<u>125</u>	<u>109</u>
Gains on Sales of Other Assets and Other, net	<u>2</u>	<u>1</u>
Operating Income	5	6
Other Income and Expenses	(1)	(2)
Interest Expense	<u>19</u>	<u>11</u>
Loss Before Income Taxes	(15)	(7)
Income Tax Benefit	<u>(39)</u>	<u>(33)</u>
Less: Loss Attributable to Noncontrolling Interests	<u>(1)</u>	<u>—</u>
Segment Income	<u>\$ 25</u>	<u>\$ 26</u>
OTHER		
Operating Revenues	\$ 33	\$ 29
Operating Expenses		
Fuel used in electric generation and purchased power	15	11
Operation, maintenance and other	8	36
Depreciation and amortization	26	34
Property and other taxes	3	9

Impairment charges	—	2
Total operating expenses	52	92
Gains on Sales of Other Assets and Other, net	5	5
Operating Loss	(14)	(58)
Other Income and Expenses	21	17
Interest Expense	134	205
Loss Before Income Taxes	(127)	(246)
Income Tax Benefit	(52)	(101)
Less: Income Attributable to Noncontrolling Interests	2	3
Other Net Expense	\$ (77)	\$ (148)

Note: Prior period amounts have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except per-share amounts)

	Three Months Ended March 31,	
	2017	2016
Operating Revenues		
Regulated electric	\$ 4,913	\$ 5,053
Regulated natural gas	646	169
Nonregulated electric and other	170	155
Total operating revenues	5,729	5,377
Operating Expenses		
Fuel used in electric generation and purchased power	1,449	1,588
Cost of natural gas	258	49
Operation, maintenance and other	1,433	1,416
Depreciation and amortization	859	793
Property and other taxes	304	295
Impairment charges	—	3
Total operating expenses	4,303	4,144
Gains on Sales of Other Assets and Other, net	11	7
Operating Income	1,437	1,240
Other Income and Expenses		
Equity in earnings of unconsolidated affiliates	29	8
Other income and expenses, net	86	70
Total other income and expenses	115	78
Interest Expense	491	489
Income From Continuing Operations Before Income Taxes	1,061	829
Income Tax Expense from Continuing Operations	344	252
Income From Continuing Operations	717	577
Income From Discontinued Operations, net of tax	—	122
Net Income	717	699
Less: Net Income Attributable to Noncontrolling Interests	1	5
Net Income Attributable to Duke Energy Corporation	\$ 716	\$ 694

Earnings Per Share - Basic and Diluted

Income from continuing operations attributable to Duke Energy Corporation common stockholders			
Basic	\$ 1.02	\$	0.83
Diluted	\$ 1.02	\$	0.83
Income from discontinued operations attributable to Duke Energy Corporation common stockholders			
Basic	\$ —	\$	0.18
Diluted	\$ —	\$	0.18
Net income attributable to Duke Energy Corporation common stockholders			
Basic	\$ 1.02	\$	1.01
Diluted	\$ 1.02	\$	1.01
Weighted average shares outstanding			
Basic	700		689
Diluted	700		689

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

(in millions)	March 31, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 878	\$ 392
Receivables (net of allowance for doubtful accounts of \$13 at 2017 and \$14 at 2016)	623	751
Receivables of VIEs (net of allowance for doubtful accounts of \$57 at 2017 and \$54 at 2016)	1,682	1,893
Inventory	3,366	3,522
Regulatory assets (includes \$53 at 2017 and \$50 at 2016 related to VIEs)	1,031	1,023
Other	425	458
Total current assets	8,005	8,039
Property, Plant and Equipment		
Cost	123,301	121,397
Accumulated depreciation and amortization	(40,293)	(39,406)
Generation facilities to be retired, net	508	529
Net property, plant and equipment	83,516	82,520
Other Noncurrent Assets		
Goodwill	19,425	19,425
Regulatory assets (includes \$1,131 at 2017 and \$1,142 at 2016 related to VIEs)	12,838	12,878
Nuclear decommissioning trust funds	6,448	6,205
Investments in equity method unconsolidated affiliates	1,122	925
Other	2,754	2,769
Total other noncurrent assets	42,587	42,202
Total Assets	\$ 134,108	\$ 132,761
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 2,203	\$ 2,994
Notes payable and commercial paper	3,558	2,487
Taxes accrued	363	384
Interest accrued	526	503
Current maturities of long-term debt (includes \$281 at 2017 and \$260 at 2016 related to VIEs)	1,977	2,319
Asset retirement obligations	404	411
Regulatory liabilities	340	409
Other	1,570	2,044
Total current liabilities	10,941	11,551
Long-Term Debt (includes \$4,108 at 2017 and \$3,587 at 2016 related to VIEs)	47,021	45,576
Other Noncurrent Liabilities		
Deferred income taxes	14,443	14,155
Asset retirement obligations	10,186	10,200
Regulatory liabilities	6,972	6,881
Accrued pension and other post-retirement benefit costs	1,115	1,111
Investment tax credits	537	493
Other	1,707	1,753
Total other noncurrent liabilities	34,960	34,593
Commitments and Contingencies		
Equity		
Common stock, \$0.001 par value, 2 billion shares authorized; 700 million shares outstanding at 2017 and 2016	1	1
Additional paid-in capital	38,742	38,741
Retained earnings	2,521	2,384
Accumulated other comprehensive loss	(85)	(93)
Total Duke Energy Corporation stockholders' equity	41,179	41,033
Noncontrolling interests	7	8
Total equity	41,186	41,041
Total Liabilities and Equity	\$ 134,108	\$ 132,761

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Three Months Ended March 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 717	\$ 699
Adjustments to reconcile net income to net cash provided by operating activities	572	983
Net cash provided by operating activities	1,289	1,682
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(2,399)	(1,758)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by (used in) financing activities	1,596	(3)
Changes in cash and cash equivalents included in assets held for sale	—	30
Net increase (decrease) in cash and cash equivalents	486	(49)
Cash and cash equivalents at the beginning of period	392	383
Cash and cash equivalents at end of period	\$ 878	\$ 334

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
March 2017 YTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	International Energy	Other	Discontinued Operations	Consolidated
2016 YTD Reported Earnings Per Share, Diluted	\$ 0.96	\$ 0.05	\$ 0.04	\$ —	\$ (0.22)	\$ 0.18	\$ 1.01
Costs to Achieve Mergers	—	—	—	—	0.11	—	0.11
Cost Savings Initiatives	—	—	—	—	0.02	—	0.02
International Energy Operations	—	—	—	0.17	—	(0.17)	—
Discontinued Operations	—	—	—	—	—	(0.01)	(0.01)
2016 YTD Adjusted Earnings Per Share, Diluted	\$ 0.96	\$ 0.05	\$ 0.04	\$ 0.17	\$ (0.09)	\$ —	\$ 1.13
Change in share count (a)	(0.02)	—	—	—	—	—	(0.02)
Weather	(0.14)	(0.01)	—	—	—	—	(0.15)
Volume	0.01	—	—	—	—	—	0.01
Pricing and Riders	0.03	—	—	—	—	—	0.03
Wholesale	—	—	—	—	—	—	—
Operations and maintenance, net of recoverables (b)	0.08	—	—	—	—	—	0.08
Piedmont Natural Gas contribution	—	0.14	—	—	—	—	0.14
Mid-Stream Gas Pipelines (c)	—	0.01	—	—	—	—	0.01
Duke Energy Renewables (d)	—	—	—	—	—	—	—
National Methanol Company (NMC)	—	—	—	—	0.01	—	0.01
Other (e)	0.03	—	—	—	0.01	—	0.04
Interest Expense	(0.03)	—	—	—	(0.02)	—	(0.05)
Change in effective income tax rate	(0.01)	—	—	(0.10)	(0.01)	—	(0.12)
Latin America, including foreign exchange rates	—	—	—	(0.07)	—	—	(0.07)
2017 YTD Adjusted Earnings Per Share, Diluted	\$ 0.91	\$ 0.19	\$ 0.04	\$ —	\$ (0.10)	\$ —	\$ 1.04
Costs to Achieve Piedmont Merger	—	—	—	—	(0.02)	—	(0.02)
2017 YTD Reported Earnings Per Share, Diluted	\$ 0.91	\$ 0.19	\$ 0.04	\$ —	\$ (0.12)	\$ —	\$ 1.02

Note 1: Prior period amounts have been recast to conform to the current segment structure. Results of NMC are included within Other.

Note 2: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except Duke Energy Renewables, which uses an effective rate.

(a) Due to the Q4 2016 share issuance used to partially fund the Piedmont acquisition. Weighted average diluted shares outstanding increased from 689 million shares to 700 million shares.

(b) Primarily due to ongoing cost control and lower storm restoration costs.

(c) Primarily due to higher earnings from the equity method investment in ACP. Earnings from Piedmont's acquired investments are included in the "Piedmont Natural Gas contribution" driver.

(d) For Commercial Renewables, higher earnings from new wind projects placed in service (+\$0.01) were offset by lower solar ITCs in the current year (-\$0.01 per share).

(e) Electric Utilities and Infrastructure is primarily due to higher AFUDC equity (+\$0.03).

**Electric Utilities and Infrastructure
Quarterly Highlights
March 2017**

	Three Months Ended March 31,			% Inc.(Dec.) Weather Normal (2)
	2017	2016	% Inc.(Dec.)	
GWh Sales (1)				
Residential	20,085	21,662	(7.4%)	(0.7%)
General Service	17,549	17,850	(1.7%)	0.5%
Industrial	12,305	12,272	0.3%	0.8%
Other Energy Sales	144	146	(1.4%)	
Unbilled Sales	(935)	(344)	(171.8%)	n/a
Total Retail Sales	49,128	51,586	(4.8%)	0.1%
Special Sales	9,862	11,145	(11.5%)	
Total Consolidated Electric Sales - Electric Utilities and Infrastructure	58,990	62,731	(6.0%)	
Average Number of Customers (Electric)				
Residential	6,510,679	6,425,427	1.3%	
General Service	968,897	957,484	1.2%	
Industrial	17,748	17,936	(1.0%)	
Other Energy Sales	23,205	23,112	0.4%	
Total Regular Sales	7,520,529	7,423,959	1.3%	
Special Sales	58	62	(6.5%)	
Total Average Number of Customers - Electric Utilities and Infrastructure	7,520,587	7,424,021	1.3%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	16,939	17,934	(5.5%)	
Nuclear	17,741	17,999	(1.4%)	
Hydro	201	1,047	(80.8%)	
Oil and Natural Gas	14,231	16,083	(11.5%)	
Renewable Energy	75	53	41.5%	
Total Generation (4)	49,187	53,116	(7.4%)	
Purchased Power and Net Interchange (5)	12,568	12,513	0.4%	
Total Sources of Energy	61,755	65,629	(5.9%)	
Less: Line Loss and Other	2,765	2,898	(4.6%)	
Total GWh Sources	58,990	62,731	(6.0%)	
Owned MW Capacity (3)				
Summer	49,950	50,157		
Winter	53,717	53,346		
Nuclear Capacity Factor (%) (6)	94	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 Electric Utilities and Infrastructure Information
March 2017

	Three Months Ended March 31,			% Inc.(Dec.) Weather Normal (2)
	2017	2016	% Inc.(Dec.)	
GWh Sales (1)				
Residential	6,871	7,580	(9.4%)	
General Service	6,527	6,664	(2.1%)	
Industrial	5,062	5,078	(0.3%)	
Other Energy Sales	76	76	—%	
Unbilled Sales	(232)	5	(4,740.0%)	
Total Retail Sales	18,304	19,403	(5.7%)	(0.1%)
Special Sales	2,477	2,222	11.5%	
Total Consolidated Electric Sales - Duke Energy Carolinas	20,781	21,625	(3.9%)	
Average Number of Customers				
Residential	2,169,345	2,138,535	1.4%	
General Service	351,773	347,329	1.3%	
Industrial	6,252	6,333	(1.3%)	
Other Energy Sales	15,298	15,133	1.1%	
Total Regular Sales	2,542,668	2,507,330	1.4%	
Special Sales	24	24	—%	
Total Average Number of Customers - Duke Energy Carolinas	2,542,692	2,507,354	1.4%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	5,586	5,579	0.1%	
Nuclear	11,036	10,993	0.4%	
Hydro	53	725	(92.7%)	
Oil and Natural Gas	2,694	2,986	(9.8%)	
Renewable Energy	9	3	200.0%	
Total Generation (4)	19,378	20,286	(4.5%)	
Purchased Power and Net Interchange (5)	2,483	2,619	(5.2%)	
Total Sources of Energy	21,861	22,905	(4.6%)	
Less: Line Loss and Other	1,080	1,280	(15.6%)	
Total GWh Sources	20,781	21,625	(3.9%)	
Owned MW Capacity (3)				
Summer	19,568	19,678		
Winter	20,425	20,383		
Nuclear Capacity Factor (%) (6)				
	98	97		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	1,291	1,661	(22.3%)	
Cooling Degree Days	10	19	(47.4%)	
Variance from Normal				
Heating Degree Days	(26.2%)	(5.9%)	n/a	
Cooling Degree Days	66.7%	171.4%	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 Electric Utilities and Infrastructure Information
March 2017**

	Three Months Ended March 31,			% Inc.(Dec.) Weather Normal (2)
	2017	2016	% Inc.(Dec.)	
GWh Sales (1)				
Residential	4,633	5,000	(7.3%)	
General Service	3,549	3,660	(3.0%)	
Industrial	2,489	2,439	2.1%	
Other Energy Sales	21	24	(12.5%)	
Unbilled Sales	(500)	(135)	(270.4%)	
Total Retail Sales	10,192	10,988	(7.2%)	(0.7%)
Special Sales	5,445	6,161	(11.6%)	
Total Consolidated Electric Sales - Duke Energy Progress	15,637	17,149	(8.8%)	
Average Number of Customers				
Residential	1,302,464	1,285,880	1.3%	
General Service	230,405	227,523	1.3%	
Industrial	4,129	4,159	(0.7%)	
Other Energy Sales	1,462	1,601	(8.7%)	
Total Regular Sales	1,538,460	1,519,163	1.3%	
Special Sales	14	15	(6.7%)	
Total Average Number of Customers - Duke Energy Progress	1,538,474	1,519,178	1.3%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	1,644	2,107	(22.0%)	
Nuclear	6,705	7,006	(4.3%)	
Hydro	103	253	(59.3%)	
Oil and Natural Gas	5,836	6,472	(9.8%)	
Renewable Energy	62	50	24.0%	
Total Generation (4)	14,350	15,888	(9.7%)	
Purchased Power and Net Interchange (5)	1,824	1,765	3.3%	
Total Sources of Energy	16,174	17,653	(8.4%)	
Less: Line Loss and Other	537	504	6.5%	
Total GWh Sources	15,637	17,149	(8.8%)	
Owned MW Capacity (3)				
Summer	12,827	12,935		
Winter	14,034	14,034		
Nuclear Capacity Factor (%) (6)				
	88	91		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	1,203	1,514	(20.5%)	
Cooling Degree Days	10	36	(72.2%)	
Variance from Normal				
Heating Degree Days	(25.6%)	(7.1%)	n/a	
Cooling Degree Days	11.1%	260.0%	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.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Florida
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2017

	Three Months Ended March 31,			% Inc.(Dec.) Weather Normal (2)
	2017	2016	% Inc.(Dec.)	
GWh Sales (1)				
Residential	3,824	4,173	(8.4%)	
General Service	3,254	3,241	0.4%	
Industrial	755	752	0.4%	
Other Energy Sales	6	6	—%	
Unbilled Sales	156	(11)	1,518.2%	
Total Retail Sales	7,995	8,161	(2.0%)	3.1%
Special Sales	310	295	5.1%	
Total Electric Sales - Duke Energy Florida	8,305	8,456	(1.8%)	
Average Number of Customers				
Residential	1,564,038	1,541,555	1.5%	
General Service	197,422	194,707	1.4%	
Industrial	2,156	2,202	(2.1%)	
Other Energy Sales	1,524	1,536	(0.8%)	
Total Regular Sales	1,765,140	1,740,000	1.4%	
Special Sales	12	13	(7.7%)	
Total Average Number of Customers - Duke Energy Florida	1,765,152	1,740,013	1.4%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	2,117	1,451	45.9%	
Oil and Natural Gas	5,348	6,123	(12.7%)	
Renewable Energy	4	—	n/a	
Total Generation (4)	7,469	7,574	(1.4%)	
Purchased Power and Net Interchange (5)				
Total Sources of Energy	8,765	9,083	(3.5%)	
Less: Line Loss and Other	460	627	(26.6%)	
Total GWh Sources	8,305	8,456	(1.8%)	
Owned MW Capacity (3)				
Summer	9,212	8,989		
Winter	10,332	9,894		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	176	401	(56.1%)	
Cooling Degree Days	273	199	37.2%	
Variance from Normal				
Heating Degree Days	(53.6%)	4.2%	n/a	
Cooling Degree Days	49.2%	7.6%	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
March 2017

	Three Months Ended March 31,			% Inc.(Dec.) Weather Normal (2)
	2017	2016	% Inc.(Dec.)	
GWh Sales (1)				
Residential	2,253	2,320	(2.9%)	
General Service	2,257	2,297	(1.7%)	
Industrial	1,441	1,444	(0.2%)	
Other Energy Sales	28	27	3.7%	
Unbilled Sales	(201)	(92)	(118.5%)	
Total Retail Sales	5,778	5,996	(3.6%)	(1.1%)
Special Sales	281	111	153.2%	
Total Electric Sales - Duke Energy Ohio	6,059	6,107	(0.8%)	
Average Number of Customers				
Residential	759,467	753,189	0.8%	
General Service	88,141	87,441	0.8%	
Industrial	2,507	2,529	(0.9%)	
Other Energy Sales	3,282	3,245	1.1%	
Total Regular Sales	853,397	846,404	0.8%	
Special Sales	1	1	—%	
Total Average Number of Customers - Duke Energy Ohio	853,398	846,405	0.8%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	1,203	928	29.6%	
Oil and Natural Gas	1	1	—%	
Total Generation (4)	1,204	929	29.6%	
Purchased Power and Net Interchange (5)	5,466	5,555	(1.6%)	
Total Sources of Energy	6,670	6,484	2.9%	
Less: Line Loss and Other	611	377	62.1%	
Total GWh Sources	6,059	6,107	(0.8%)	
Owned MW Capacity (3)				
Summer	1,076	1,062		
Winter	1,164	1,164		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	2,044	2,349	(13.0%)	
Cooling Degree Days	1	—	—%	
Variance from Normal				
Heating Degree Days	(20.7%)	(9.5%)	n/a	
Cooling Degree Days	(75.0%)	(100.0%)	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 Indiana
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2017

	Three Months Ended March 31,			% Inc.(Dec.) Weather Normal (2)
	2017	2016	% Inc.(Dec.)	
GWh Sales (1)				
Residential	2,484	2,589	(4.1%)	
General Service	1,962	1,988	(1.3%)	
Industrial	2,558	2,559	—%	
Other Energy Sales	13	13	—%	
Unbilled Sales	(158)	(111)	42.3%	
Total Retail Sales	6,859	7,038	(2.5%)	(0.8%)
Special Sales	1,349	2,356	(42.7%)	
Total Electric Sales - Duke Energy Indiana	8,208	9,394	(12.6%)	
Average Number of Customers				
Residential	715,365	706,268	1.3%	
General Service	101,156	100,484	0.7%	
Industrial	2,704	2,713	(0.3%)	
Other Energy Sales	1,639	1,597	2.6%	
Total Regular Sales	820,864	811,062	1.2%	
Special Sales	7	9	(22.2%)	
Total Average Number of Customers - Duke Energy Indiana	820,871	811,071	1.2%	
Sources of Electric Energy (GWh)				
Generated - Net Output (3)				
Coal	6,389	7,869	(18.8%)	
Hydro	45	69	(34.8%)	
Oil and Natural Gas	352	501	(29.7%)	
Total Generation (4)	6,786	8,439	(19.6%)	
Purchased Power and Net Interchange (5)	1,499	1,065	40.8%	
Total Sources of Energy	8,285	9,504	(12.8%)	
Less: Line Loss and Other	77	110	(30.0%)	
Total GWh Sources	8,208	9,394	(12.6%)	
Owned MW Capacity (3)				
Summer	7,267	7,493		
Winter	7,762	7,871		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	2,208	2,521	(12.4%)	
Cooling Degree Days	—	—	—%	
Variance from Normal				
Heating Degree Days	(20.1%)	(9.3%)	n/a	
Cooling Degree Days	(100.0%)	(100.0%)	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.

Gas Utilities and Infrastructure
Quarterly Highlights
March 2017

	Three Months Ended March 31,		
	2017	2016	% Inc.(Dec.)
Total Sales			
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms) (1) (2)	133,276,787	155,446,586	(14.3%)
Duke Energy Midwest LDC throughput (MCF)	30,830,999	34,741,520	(11.3%)
Average Number of Customers - Piedmont Natural Gas (1)			
Residential	954,883	940,070	1.6%
Commercial	101,618	100,723	0.9%
Industrial	2,338	2,302	1.6%
Power Generation	25	25	—%
Total Average Number of Gas Customers - Piedmont Natural Gas	1,058,864	1,043,120	1.5%
Average Number of Customers - Duke Energy Midwest			
Residential	484,091	480,519	0.7%
Commercial	45,340	45,224	0.3%
Industrial	1,669	1,699	(1.8%)
Other Energy Sales	141	143	(1.4%)
Total Average Number of Gas Customers - Duke Energy Midwest	531,241	527,585	0.7%

(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 for 2016 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
March 2017


	Three Months Ended March 31,		
	2017	2016	% Inc.(Dec.)
Actual Renewable Plant Production, GWh	2,285	2,060	10.9%
Net Proportional MW Capacity in Operation	2,907	1,963	48.1%

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **May 4, 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 704-382-6200	20-2777218

550 South Tryon Street, Charlotte, North Carolina 28202
(Address of Principal Executive Offices, including Zip code)

(704) 382-3853
(Registrant's telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.07. Submission of Matters to a Vote of Security Holders.

- (a) The Corporation held its Annual Meeting on May 4, 2017.
- (b) At the Annual Meeting, shareholders voted on the following items: (i) election of directors, (ii) ratification of the appointment of Deloitte & Touche LLP as the Corporation's independent registered public accounting firm for 2017, (iii) an advisory vote to approve the Corporation's named executive officer compensation, (iv) an advisory vote on the frequency of the vote on executive compensation, (v) an amendment to the Amended and Restated Certificate of Incorporation of Duke Energy Corporation to eliminate supermajority requirements, (vi) a shareholder proposal regarding providing an annual report on Duke Energy's lobbying expenses, (vii) a shareholder proposal regarding preparing an assessment of the impacts on Duke Energy's portfolio of climate change consistent with a two degree scenario, and (viii) a shareholder proposal regarding providing a report on the public health risks of Duke Energy's coal use. For more information on the proposals, see Duke Energy's proxy statement dated March 23, 2017. Set forth on the following pages are the final voting results for each of the proposals.

• **Election of Director Nominees**

Director	Votes For	Withheld	Broker Non-Votes	<u>Votes Cast FOR</u> <u>Votes Cast FOR</u> <u>+ WITHHELD</u>
Michael J. Angelakis	409,210,059	19,419,648	168,008,093	95.47%
Michael G. Browning	400,745,868	27,883,839	168,008,093	93.49%
Theodore F. Craver, Jr.	422,356,933	6,272,774	168,008,093	98.54%
Daniel R. DiMicco	416,212,307	12,417,400	168,008,093	97.10%
John H. Forsgren	421,126,239	7,503,468	168,008,093	98.25%
Lynn J. Good	413,564,029	15,065,678	168,008,093	96.49%
John T. Herron	422,112,056	6,517,651	168,008,093	98.48%
James B. Hyler, Jr.	420,957,335	7,672,372	168,008,093	98.21%
William E. Kennard	413,447,738	15,181,969	168,008,093	96.46%
E. Marie McKee	403,546,363	25,083,344	168,008,093	94.15%
Charles W. Moorman IV	407,034,994	21,594,713	168,008,093	94.96%
Carlos A. Saladrigas	405,207,194	23,422,513	168,008,093	94.54%
Thomas E. Skains	421,995,848	6,633,859	168,008,093	98.45%
William E. Webster, Jr.	421,857,529	6,772,178	168,008,093	98.42%

Each director nominee was elected to the Board of Directors with the support of a majority of the votes cast.

• **Proposal to ratify the appointment of Deloitte & Touche LLP as independent registered public accounting firm for 2017**

Votes For	Votes Against	Abstain	Broker Non-Votes	<u>Votes Cast FOR</u> <u>Votes Cast FOR +</u> <u>AGAINST</u>	<u>Votes Cast FOR</u> <u>Votes Cast FOR</u> <u>+ AGAINST</u> <u>+ ABSTAIN</u>
583,308,692	10,476,884	2,852,224	N/A	98.24%	97.77%

The proposal to ratify the appointment of Deloitte & Touche LLP as independent registered public accounting firm was approved by the majority of the votes cast.

• **Advisory vote to approve Duke Energy Corporation's named executive officer compensation**

Votes For	Votes Against	Abstain	Broker Non-Votes	Votes Cast FOR Votes Cast FOR + AGAINST	Votes Cast FOR Votes Cast FOR + AGAINST + ABSTAIN
354,516,299	69,041,180	5,072,228	168,008,093	83.70%	82.71%

The advisory vote to approve Duke Energy Corporation's named executive officer compensation was approved by the majority of the votes cast.

• **Advisory vote on the frequency of the vote on executive compensation**

1 Year	2 Years	3 Years	Abstain	Votes Cast For 1 YEAR Votes Cast For 1 YEAR + 2 YEARS + 3 YEARS	Votes Cast For 1 YEAR Votes Cast For 1 YEAR + 2 YEARS + 3 YEARS + ABSTAIN
372,413,430	5,750,004	46,555,634	3,910,639	87.68%	86.88%

The majority of the votes cast selected that the vote on executive compensation should occur every year.

• **Amendment to the Amended and Restated Certificate of Incorporation of Duke Energy Corporation to eliminate supermajority requirements**

Votes For	Votes Against	Abstain	Broker Non-Votes	Votes Cast FOR Outstanding Shares (699,883,243)
412,421,705	12,100,454	4,107,548	168,008,093	58.93%

The amendment to the Amended and Restated Certificate of Incorporation of Duke Energy Corporation to eliminate supermajority requirements failed to receive the support of 80% of the outstanding shares and, therefore, was not approved.

• **Shareholder proposal regarding providing an annual report on Duke Energy's lobbying expenses**

Votes For	Votes Against	Abstain	Broker Non-Votes	Votes Cast FOR Votes Cast FOR + AGAINST	Votes Cast FOR Votes Cast FOR + AGAINST + ABSTAIN
138,638,451	277,637,178	12,354,078	168,008,093	33.30%	32.34%

The shareholder proposal regarding providing an annual report on Duke Energy's lobbying expenses failed to receive the support of a majority of the votes cast and, therefore, was not approved.

• **Shareholder proposal regarding preparing an assessment of the impacts on Duke Energy's portfolio of climate change consistent with a two degree scenario**

Votes For	Votes Against	Abstain	Broker Non-Votes	Votes Cast FOR Votes Cast FOR + AGAINST	Votes Cast FOR Votes Cast FOR + AGAINST + ABSTAIN
192,328,036	221,932,580	14,369,091	168,008,093	46.43%	44.87%

The shareholder proposal regarding preparing an assessment of the impacts on Duke Energy's portfolio of climate change consistent with a two degree scenario failed to receive the support of a majority of the votes cast and, therefore, was not approved.

• Shareholder proposal regarding providing a report on the public health risks of Duke Energy's coal use

Votes For	Votes Against	Abstain	Broker Non-Votes	<u>Votes Cast FOR</u> Votes Cast FOR + AGAINST	<u>Votes Cast FOR</u> Votes Cast FOR + AGAINST + ABSTAIN
110,882,187	298,216,794	19,530,726	168,008,093	27.10%	25.87%

The shareholder proposal regarding providing a report on the public health risks of Duke Energy's coal use failed to receive the support of a majority of the votes cast and, therefore, was not approved.

- (c) Not applicable.
- (d) Based upon the results set forth above for the advisory vote on the frequency of future advisory votes on executive compensation, the Board of Directors has determined that future advisory votes on executive compensation will be submitted to shareholders on an annual basis.

SIGNATURE

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

Dated: May 10, 2017

DUKE ENERGY CORPORATION

/s/ Julia S. Janson

Julia S. Janson

Executive Vice President, External Affairs, 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): May 22, 2017

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
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DUKE ENERGY CORPORATION

(a Delaware corporation)
550 South Tryon Street
Charlotte, North Carolina 28202-1803
704-382-3853



1-32853

20-2777218

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	DUKE ENERGY INDIANA, LLC. (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-3274	DUKE ENERGY FLORIDA, LLC (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770	1-6196	PIEDMONT NATURAL GAS COMPANY, INC. (a North Carolina corporation) 4720 Piedmont Row Drive Charlotte, North Carolina 28210 704-364-3120 56-556998

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Conditions.

The information attached hereto as exhibit 99.1 provides supplemental financial information for Duke Energy Corporation and Subsidiary Registrants.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 First Quarter 2017 Statistical Supplement

SIGNATURE

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

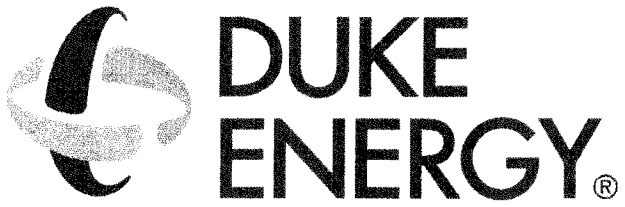
**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC
PIEDMONT NATURAL GAS COMPANY, INC.**

Date: May 22, 2017

By: /s/ William E. Currens Jr.
Name: William E. Currens Jr.
Title: Senior Vice President, Chief Accounting Officer and Controller

EXHIBIT INDEX

Exhibit	Description
99.1	First Quarter 2017 Statistical Supplement



1st Quarter 2017 Statistical Supplement

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	<u>Non-GAAP Disclosures (Unaudited)</u>
<u>Electric Utilities and Infrastructure (Unaudited)</u>	<u>16</u> Reported to Adjusted Earnings Reconciliations
<u>7</u> Consolidating Segment Income	<u>18</u> Non-GAAP Financial Measures
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Duke Energy and Piedmont Natural Gas

This Statistical Supplement includes results of Piedmont Natural Gas (Piedmont) subsequent to the acquisition on October 3, 2016, and should be read in conjunction with i) Duke Energy and Piedmont's combined Form 10-Q for the three months ended March 31, 2017, ii) Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2016, iii) Piedmont's Annual Report on Form 10-K for the year ended October 31, 2016, and iv) the transition report filed by Piedmont on Form 10-Q as of December 31, 2016, for the transition period from November 1, 2016 to December 31, 2016.

Segment Change

Due to the Piedmont acquisition and the sale of International Energy in the fourth quarter of 2016, Duke Energy's segment structure has been realigned to include the following segments: Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The remainder of Duke Energy's operations is presented as Other. Other now includes the results of National Methanol Company (NMC), previously included in the International Energy segment.

Prior periods have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Three Months Ended March 31, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 4,947	\$ —	\$ —	\$ —	(34)	\$ 4,913
Regulated natural gas	—	668	—	—	(22)	646
Nonregulated electric and other	—	2	128	33	7	170
Total operating revenues	4,947	670	128	33	(49)	5,729
Operating Expenses						
Fuel used in electric generation and purchased power	1,454	—	—	15	(20)	1,449
Cost of natural gas	—	258	—	—	—	258
Operation, maintenance and other	1,271	105	77	8	(28)	1,433
Depreciation and amortization	737	57	39	26	—	859
Property and other taxes	261	30	9	3	1	304
Total operating expenses	3,723	450	125	52	(47)	4,303
Gains on Sales of Other Assets and Other, net	3	—	2	5	1	11
Operating Income (Loss)	1,227	220	5	(14)	(1)	1,437
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	—	17	(1)	13	—	29
Other income and expenses, net	79	1	—	8	(2)	86
Total Other Income and Expenses	79	18	(1)	21	(2)	115
Interest Expense	315	26	19	134	(3)	491
Income (Loss) from Continuing Operations Before Income Taxes	991	212	(15)	(127)	—	1,061
Income Tax Expense (Benefit) from Continuing Operations	356	79	(39)	(52)	—	344
Income (Loss) from Continuing Operations	635	133	24	(75)	—	717
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	2	—	1
Segment Income / Other Net Expense / Net Income Attributable to Duke Energy Corporation	\$ 635	\$ 133	\$ 25	\$ (77)	\$ —	\$ 716
Special Items	—	—	—	10	—	10
Adjusted Earnings^(a)	\$ 635	\$ 133	\$ 25	\$ (67)	\$ —	\$ 726

(a) See page 16 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

Three Months Ended March 31, 2016^(a)

(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	International Energy	Eliminations / Adjustments	Duke Energy
Operating Revenues							
Regulated electric	\$ 5,089	\$ —	\$ —	\$ —	\$ —	\$ (36)	\$ 5,053
Regulated natural gas	—	170	—	—	—	(1)	169
Nonregulated electric and other	—	—	114	29	—	12	155
Total operating revenues	5,089	170	114	29	—	(25)	5,377
Operating Expenses							
Fuel used in electric generation and purchased power	1,577	—	—	11	—	—	1,588
Cost of natural gas	—	49	—	—	—	—	49
Operation, maintenance and other	1,298	32	73	36	—	(23)	1,416
Depreciation and amortization	709	20	30	34	—	—	793
Property and other taxes	262	18	6	9	—	—	295
Impairment charges	2	—	—	2	—	(1)	3
Total operating expenses	3,848	119	109	92	—	(24)	4,144
Gains on Sales of Other Assets and Other, net	1	—	1	5	—	—	7
Operating Income (Loss)	1,242	51	6	(58)	—	(1)	1,240
Other Income and Expenses							
Equity in earnings (losses) of unconsolidated affiliates	—	2	(2)	7	—	1	8
Other income and expenses, net	63	1	—	10	—	(4)	70
Total Other Income and Expenses	63	3	(2)	17	—	(3)	78
Interest Expense^(b)	270	7	11	205	—	(4)	489
Income (Loss) from Continuing Operations Before Income Taxes	1,035	47	(7)	(246)	—	—	829
Income Tax Expense (Benefit) from Continuing Operations	371	15	(33)	(101)	—	—	252
Income (Loss) from Continuing Operations	664	32	26	(145)	—	—	577
Less: Net Income Attributable to Noncontrolling Interest	—	—	—	3	—	—	3
Segment Income / Other Net Expense	\$ 664	\$ 32	\$ 26	\$ (148)	\$ —	\$ —	\$ 574
Income from Discontinued Operations, net of tax							120
Net Income Attributable to Duke Energy Corporation							\$ 694
Segment Income / Other Net Expense	\$ 664	\$ 32	\$ 26	\$ (148)	\$ —	\$ —	\$ 574
Special Items^(c)	—	—	—	86	117	—	203
Adjusted Earnings^(d)	\$ 664	\$ 32	\$ 26	\$ (62)	\$ 117	\$ —	\$ 777

- (a) Amounts have been recast to conform to the current segment structure.
(b) Other includes \$100 million related to Piedmont acquisition financing, primarily due to losses on forward-starting interest rate swaps.
(c) International Energy amount represents the operating results of the International Disposal Group classified as discontinued operations.
(d) See page 17 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	March 31, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 56	\$ 17	\$ 9	\$ 796	\$ —	\$ 878
Receivables, net	384	188	11	40	—	623
Receivables of variable interest entities, net	1,649	—	33	—	—	1,682
Receivables from affiliated companies	35	26	1,224	2,565	(3,850)	—
Notes receivable from affiliated companies	231	70	—	686	(987)	—
Inventory	3,276	52	12	26	—	3,366
Regulatory assets	847	97	—	86	1	1,031
Other	316	22	149	(2)	(60)	425
Total current assets	6,794	472	1,438	4,197	(4,896)	8,005
Property, Plant and Equipment						
Cost	108,023	9,065	4,334	1,879	—	123,301
Accumulated depreciation and amortization	(36,610)	(2,084)	(570)	(1,028)	(1)	(40,293)
Generation facilities to be retired, net	508	—	—	—	—	508
Net property, plant and equipment	71,921	6,981	3,764	851	(1)	83,516
Other Noncurrent Assets						
Goodwill	17,379	1,924	122	—	—	19,425
Regulatory assets	11,582	754	—	502	—	12,838
Nuclear decommissioning trust funds	6,448	—	—	—	—	6,448
Investments in equity method unconsolidated affiliates	93	751	184	94	—	1,122
Investments and advances to (from) subsidiaries	227	—	9	52,002	(52,238)	—
Other	1,909	33	116	1,327	(631)	2,754
Total other noncurrent assets	37,638	3,462	431	53,925	(52,869)	42,587
Total Assets	116,353	10,915	5,633	58,973	(57,766)	134,108
Segment reclassifications, intercompany balances and other	(587)	(49)	(1,233)	(56,075)	57,944	—
Segment Assets	\$ 115,766	\$ 10,866	\$ 4,400	\$ 2,898	\$ 178	\$ 134,108

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	March 31, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,664	\$ 181	\$ 26	\$ 333	\$ (1)	\$ 2,203
Accounts payable to affiliated companies	3,149	3	8	662	(3,822)	—
Notes payable to affiliated companies	493	258	—	250	(1,001)	—
Notes payable and commercial paper	—	—	—	3,558	—	3,558
Taxes accrued	355	102	(295)	201	—	363
Interest accrued	374	37	—	115	—	526
Current maturities of long-term debt	1,015	35	227	700	—	1,977
Asset retirement obligations	404	—	—	—	—	404
Regulatory liabilities	332	2	—	5	1	340
Other	1,095	75	54	417	(71)	1,570
Total current liabilities	8,881	693	20	6,241	(4,894)	10,941
Long-Term Debt	28,909	2,439	1,645	14,027	1	47,021
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	15,891	1,459	366	(3,273)	—	14,443
Asset retirement obligations	10,054	43	87	1	1	10,186
Regulatory liabilities	6,202	738	—	32	—	6,972
Accrued pension and other post-retirement benefit costs	724	31	—	360	—	1,115
Investment tax credits	533	3	—	—	1	537
Other	859	236	272	344	(4)	1,707
Total other noncurrent liabilities	34,263	2,510	725	(2,536)	(2)	34,960
Equity						
Total Duke Energy Corporation stockholders' equity	43,682	5,266	3,217	41,251	(52,237)	41,179
Noncontrolling interests	—	—	17	(10)	—	7
Total equity	43,682	5,266	3,234	41,241	(52,237)	41,186
Total Liabilities and Equity	116,353	10,915	5,633	58,973	(57,766)	134,108
Segment reclassifications, intercompany balances and other	(587)	(49)	(1,233)	(56,075)	57,944	—
Segment Liabilities and Equity	\$ 115,766	\$ 10,866	\$ 4,400	\$ 2,898	\$ 178	\$ 134,108

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 1,716	\$ 1,219	\$ 959	\$ 337	\$ 758	\$ —	\$ (42)	\$ 4,947
Operating Expenses								
Fuel used in electric generation and purchased power	428	364	362	97	251	—	(48)	1,454
Operation, maintenance and other	474	345	187	90	173	1	1	1,271
Depreciation and amortization	254	181	132	45	125	—	—	737
Property and other taxes	68	40	77	55	22	—	(1)	261
Impairment charges	—	—	1	—	(1)	—	—	—
Total operating expenses	1,224	930	759	287	570	1	(48)	3,723
Gains on Sales of Other Assets and Other, net	1	2	—	—	—	—	—	3
Operating Income (Loss)	493	291	200	50	188	(1)	6	1,227
Other Income and Expenses, net^(b)	37	19	15	2	9	1	(4)	79
Interest Expense	103	82	70	15	44	—	1	315
Income Before Income Taxes	427	228	145	37	153	—	1	991
Income Tax Expense	151	78	53	13	60	—	1	356
Segment Income	\$ 276	\$ 150	\$ 92	\$ 24	\$ 93	\$ —	\$ —	\$ 635

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$30 million for Duke Energy Carolinas, \$13 million for Duke Energy Progress, \$11 million for Duke Energy Florida, \$2 million for Duke Energy Ohio, and \$6 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2016 ^(a)							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(b)	Duke Energy Indiana	Commercial Transmission	Eliminations / Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 1,740	\$ 1,307	\$ 1,024	\$ 340	\$ 714	\$ —	\$ (36)	\$ 5,089
Operating Expenses								
Fuel used in electric generation and purchased power	421	448	412	111	228	—	(43)	1,577
Operation, maintenance and other	492	373	199	76	158	1	(1)	1,298
Depreciation and amortization	254	175	114	42	125	—	(1)	709
Property and other taxes	67	41	78	52	23	—	1	262
Impairment charges	—	—	2	—	—	—	—	2
Total operating expenses	1,234	1,037	805	281	534	1	(44)	3,848
Gains on Sales of Other Assets and Other, net	—	1	—	—	—	—	—	1
Operating Income (Loss)	506	271	219	59	180	(1)	8	1,242
Other Income and Expenses, net^(c)	37	17	5	2	4	1	(3)	63
Interest Expense	107	63	41	14	44	—	1	270
Income Before Income Taxes	436	225	183	47	140	—	4	1,035
Income Tax Expense	148	80	69	11	43	—	20	371
Segment Income	\$ 288	\$ 145	\$ 114	\$ 36	\$ 97	\$ —	\$ (16)	\$ 664

- (a) Amounts have been recast to conform to the current segment structure.
(b) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(c) Includes an equity component of allowance for funds used during construction of \$23 million for Duke Energy Carolinas, \$10 million for Duke Energy Progress, \$4 million for Duke Energy Florida, \$1 million for Duke Energy Ohio, and \$3 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	March 31, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Assets								
Cash and cash equivalents	\$ 11	\$ 11	\$ 7	\$ 12	\$ 15	\$ —	\$ —	\$ 56
Receivables, net	166	28	50	65	72	—	3	384
Receivables of variable interest entities, net	563	364	248	—	—	—	474	1,649
Receivables from affiliated companies	109	6	2	50	83	2	(217)	35
Notes receivable from affiliated companies	—	—	293	109	199	—	(370)	231
Inventory	1,051	1,053	598	95	478	—	1	3,276
Regulatory assets	233	187	260	6	156	—	5	847
Other	61	100	105	13	35	—	2	316
Total current assets	2,194	1,749	1,563	350	1,038	2	(102)	6,794
Property, Plant and Equipment								
Cost	41,600	28,769	17,122	5,467	14,411	4	650	108,023
Accumulated depreciation and amortization	(14,649)	(10,716)	(4,894)	(1,916)	(4,426)	(1)	(8)	(36,610)
Generation facilities to be retired, net	—	508	—	—	—	—	—	508
Net property, plant and equipment	26,951	18,561	12,228	3,551	9,985	3	642	71,921
Other Noncurrent Assets								
Goodwill	—	—	—	596	—	—	16,783	17,379
Regulatory assets	3,098	3,338	2,476	345	1,066	—	1,259	11,582
Nuclear decommissioning trust funds	3,406	2,315	726	—	—	—	1	6,448
Investments in equity method unconsolidated affiliates	—	—	1	—	—	93	(1)	93
Investments and advances to (from) subsidiaries	47	10	3	164	—	—	3	227
Other	927	536	267	18	152	—	9	1,909
Total other noncurrent assets	7,478	6,199	3,473	1,123	1,218	93	18,054	37,638
Total Assets	36,623	26,509	17,264	5,024	12,241	98	18,594	116,353
Intercompany balances and other	(297)	(205)	(80)	(183)	(6)	(55)	239	(587)
Reportable Segment Assets	\$ 36,326	\$ 26,304	\$ 17,184	\$ 4,841	\$ 12,235	\$ 43	\$ 18,833	\$ 115,766

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	March 31, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Liabilities								
Accounts payable	\$ 602	\$ 317	\$ 361	\$ 172	\$ 209	\$ —	\$ 3	\$ 1,664
Accounts payable to affiliated companies	250	244	77	15	6	55	2,502	3,149
Notes payable to affiliated companies	337	502	—	11	—	—	(357)	493
Taxes accrued	90	35	63	88	73	1	5	355
Interest accrued	134	90	76	23	52	—	(1)	374
Current maturities of long-term debt	404	202	319	1	3	—	86	1,015
Asset retirement obligations	224	180	—	—	—	—	—	404
Regulatory liabilities	118	149	7	14	44	—	—	332
Other	345	294	309	74	75	—	(2)	1,095
Total current liabilities	2,504	2,013	1,212	398	462	56	2,236	8,881
Long-Term Debt	8,787	6,409	6,662	1,490	3,631	—	1,930	28,909
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618
Other Noncurrent Liabilities								
Deferred income taxes	6,712	3,460	2,802	980	1,922	4	11	15,891
Asset retirement obligations	3,658	4,516	773	47	867	—	193	10,054
Regulatory liabilities	2,860	2,012	459	128	743	—	—	6,202
Accrued pension and other post-retirement benefit costs	103	247	261	36	77	—	—	724
Investment tax credits	237	146	3	1	148	—	(2)	533
Other	595	50	101	94	25	—	(6)	859
Total other noncurrent liabilities	14,165	10,431	4,399	1,286	3,782	4	196	34,263
Equity	10,867	7,506	4,991	1,832	4,216	38	14,232	43,682
Total Liabilities and Equity	36,623	26,509	17,264	5,024	12,241	98	18,594	116,353
Intercompany balances and other	(297)	(205)	(80)	(183)	(6)	(55)	239	(587)
Reportable Segment Liabilities and Equity	\$ 36,326	\$ 26,304	\$ 17,184	\$ 4,841	\$ 12,235	\$ 43	\$ 18,833	\$ 115,766

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues					
Regulated natural gas	\$ 170	\$ 498	\$ —	\$ —	\$ 668
Nonregulated natural gas and other	—	2	—	—	2
Operating Revenues	170	500	—	—	670
Operating Expenses					
Cost of natural gas	54	205	—	(1)	258
Operation, maintenance and other	32	72	1	—	105
Depreciation and amortization	22	35	—	—	57
Property and other taxes	17	13	—	—	30
Total operating expenses	125	325	1	(1)	450
Operating Income (Loss)	45	175	(1)	1	220
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	17	—	17
Other income and expenses, net	1	—	—	—	1
Total Other Income and Expenses	1	—	17	—	18
Interest Expense	7	19	—	—	26
Income Before Income Taxes	39	156	16	1	212
Income Tax Expense	13	59	6	1	79
Segment Income	\$ 26	\$ 97	\$ 10	\$ —	\$ 133

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2016			
	Duke Energy Ohio ^(a)	Midstream Pipelines	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 170	\$ —	\$ —	\$ 170
Operating Expenses				
Cost of natural gas	49	—	—	49
Operation, maintenance and other	32	—	—	32
Depreciation and amortization	20	—	—	20
Property and other taxes	18	—	—	18
Total operating expenses	119	—	—	119
Operating Income	51	—	—	51
Other Income and Expenses	1	2	—	3
Interest Expense	7	—	—	7
Income Before Income Taxes	45	2	—	47
Income Tax Expense	14	1	—	15
Segment Income	\$ 31	\$ 1	\$ —	\$ 32

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	March 31, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ 2	\$ 15	\$ —	\$ —	\$ 17
Receivables, net	(4)	193	—	(1)	188
Receivables from affiliated companies	17	7	—	2	26
Notes receivable from affiliated companies	70	—	—	—	70
Inventory	23	29	—	—	52
Regulatory assets	(1)	98	—	—	97
Other	—	21	—	1	22
Total current assets	107	363	—	2	472
Property, Plant and Equipment					
Cost	2,769	6,296	—	—	9,065
Accumulated depreciation and amortization	(695)	(1,389)	—	—	(2,084)
Net property, plant and equipment	2,074	4,907	—	—	6,981
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	196	350	—	208	754
Investments in equity method unconsolidated affiliates	—	—	751	—	751
Other	3	19	12	(1)	33
Total other noncurrent assets	523	418	763	1,758	3,462
Total Assets	2,704	5,688	763	1,760	10,915
Intercompany balances and other	—	112	(25)	(136)	(49)
Reportable Segment Assets	\$ 2,704	\$ 5,800	\$ 738	\$ 1,624	\$ 10,866

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	March 31, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 76	\$ 104	\$ —	\$ 1	\$ 181
Accounts payable to affiliated companies	—	—	25	(22)	3
Notes payable to affiliated companies	(3)	261	—	—	258
Taxes accrued	11	(5)	97	(1)	102
Interest accrued	10	27	—	—	37
Current maturities of long-term debt	—	35	—	—	35
Regulatory liabilities	8	(5)	—	(1)	2
Other	5	70	—	—	75
Total current liabilities	107	487	122	(23)	693
Long-Term Debt	462	1,786	—	191	2,439
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	485	951	24	(1)	1,459
Asset retirement obligations	28	14	—	1	43
Regulatory liabilities	109	613	—	16	738
Accrued pension and other post-retirement benefit costs	17	14	—	—	31
Investment tax credits	2	1	—	—	3
Other	68	167	—	1	236
Total other noncurrent liabilities	709	1,760	24	17	2,510
Equity	1,419	1,655	617	1,575	5,266
Total Liabilities and Equity	2,704	5,688	763	1,760	10,915
Intercompany balances and other	—	112	(25)	(136)	(49)
Reportable Segment Liabilities and Equity	\$ 2,704	\$ 5,800	\$ 738	\$ 1,624	\$ 10,866

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

Revenues By Customer Class
(Unaudited)

Three Months Ended March 31, 2017									
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont Natural Gas	Eliminations / Adjustments	Total	
Regulated Electric Revenues									
Residential	\$ 694	\$ 463	\$ 479	\$ 193	\$ 276	\$ —	\$ —	\$ —	2,105
General service	499	292	304	107	183	—	—	1,385	
Industrial	266	146	60	29	185	—	—	686	
Wholesale	119	275	39	7	79	—	—	519	
Change in unbilled	(18)	(31)	8	(15)	(17)	—	—	(73)	
Other revenues	156	74	69	16	52	—	(42)	325	
Total Electric Revenues	\$ 1,716	\$ 1,219	\$ 959	\$ 337	\$ 758	\$ —	\$ (42)	\$ 4,947	

Regulated Natural Gas Revenues									
Residential	\$ —	\$ —	\$ —	\$ 120	\$ —	\$ 294	\$ —	\$ 414	
Commercial	—	—	—	51	—	144	—	195	
Industrial	—	—	—	7	—	40	—	47	
Power Generation	—	—	—	—	—	21	—	21	
Change in unbilled	—	—	—	(13)	—	(38)	—	(51)	
Other revenues	—	—	—	5	—	37	—	42	
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 170	\$ —	\$ 498	\$ —	\$ 668	

Three Months Ended March 31, 2016									
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Eliminations / Adjustments		Total	
Regulated Electric Revenues									
Residential	\$ 787	\$ 514	\$ 520	\$ 198	\$ 269	\$ —	\$ —	\$ 2,288	
General service	526	311	307	108	171	—	—	1,423	
Industrial	287	148	62	29	171	—	—	697	
Wholesale	114	268	58	5	88	—	—	533	
Change in unbilled	6	(9)	2	(6)	(9)	—	—	(16)	
Other revenues	20	75	75	6	24	—	(36)	164	
Total Electric Revenues	\$ 1,740	\$ 1,307	\$ 1,024	\$ 340	\$ 714	\$ —	\$ (36)	\$ 5,089	

Regulated Natural Gas Revenues									
Residential	\$ —	\$ —	\$ —	\$ 115	\$ —	\$ —	\$ —	\$ 115	
Commercial	—	—	—	48	—	—	—	48	
Industrial	—	—	—	7	—	—	—	7	
Change in unbilled	—	—	—	(3)	—	—	—	(3)	
Other revenues	—	—	—	3	—	—	—	3	
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 170	\$ —	\$ —	\$ —	\$ 170	

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

	Reported Earnings	Special Item	Adjusted Earnings
		Costs to Achieve Piedmont Merger	
SEGMENT INCOME			
Electric Utilities and Infrastructure	\$ 635	\$ —	\$ 635
Gas Utilities and Infrastructure	133	—	133
Commercial Renewables	25	—	25
Total Reportable Segment Income	793	—	793
Other	(77)	10 A	(67)
Net Income Attributable to Duke Energy Corporation	\$ 716	\$ 10	\$ 726
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.02	\$ 0.02	\$ 1.04

A - Net of \$6 million tax benefit. \$15 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

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

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

	Reported Earnings	Special Items			Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Mergers	Cost Savings Initiatives	International Energy Operations			
SEGMENT INCOME							
Electric Utilities and Infrastructure	\$ 664	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 664
Gas Utilities and Infrastructure	32	—	—	—	—	—	32
Commercial Renewables	26	—	—	—	—	—	26
Total Reportable Segment Income	722	—	—	—	—	—	722
International Energy	—	—	—	117 C	—	117	117
Other	(148)	74 A	12 B	—	—	86	(62)
Discontinued Operations	120	—	—	(117) C	(3) D	(120)	—
Net Income Attributable to Duke Energy Corporation	\$ 694	\$ 74	\$ 12	\$ —	\$ (3)	\$ 83	\$ 777
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.01	\$ 0.11	\$ 0.02	\$ —	\$ (0.01)	\$ 0.12	\$ 1.13

A - Net of \$46 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$19 million recorded within Operating Expenses and \$100 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of \$8 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

C - Includes \$39 million tax benefit. Operating results of the International Disposal Group classified as discontinued operations.

D - Recorded in Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 689 million

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS.

Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items represent certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation and Diluted EPS Attributable to Duke Energy Corporation common stockholders, respectively.

Special items included in the periods presented include the following items which management believes do not reflect ongoing costs:

- Costs to achieve mergers represent charges resulting from strategic acquisitions.
- Cost savings initiatives represents severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.

Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.


Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

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

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 1, 2017**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	 DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-0165465

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

- If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events.

On June 1, 2017, Duke Energy Progress, LLC ("Duke Energy Progress") filed a rate case with the North Carolina Utilities Commission (the "NCUC") to request an average 14.9% increase in retail revenues, or approximately \$477 million, with an overall rate of return of approximately 7.66% based on approval of a 10.75% return on equity and a 53% equity component of the capital structure. The request is premised upon a North Carolina rate base of \$8.1 billion as of December 31, 2016, and adjusted for known and measurable changes through August 2017.

Hearings are expected to commence late this year and, if approved by the NCUC, rates would likely go in effect on January 1, 2018.

An overview providing additional detail on the filing is attached to this Form 8-K as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Duke Energy Progress Summary of 2017 Rate Case Filing in North Carolina

SIGNATURE

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

DUKE ENERGY CORPORATION

Dated: June 1, 2017

/s/ Julia S. Janson
Julia S. Janson
Executive Vice President, External Affairs, Chief Legal Officer
and Corporate Secretary

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
----------------	--------------------

99.1	Duke Energy Progress Summary of 2017 Rate Case Filing in North Carolina
------	---

**Duke Energy Progress
Summary of 2017 Rate Case Filing in North Carolina**

- **On June 1, 2017, Duke Energy Progress filed a rate case with the North Carolinas Utilities Commission (NCUC) to request an average 14.9 percent increase in retail revenues, or approximately \$477 million:**
 - o The rate case filing requests an overall rate of return of 7.66% based on approval of a 10.75% return on equity and a 53% equity component of the capital structure
 - o The filing is based on a North Carolina rate base of \$8.1 billion as of December 31, 2016 and adjusted for known and measurable changes through August 2017 (hearings are expected to commence late this year)

- **This rate increase request is driven by:**

Drivers	Revenue Requirement	% of Total Request
Significant Plant Additions and Changes	\$253 million	53%
Coal Ash Pond Closure costs	\$195 million	41%
All other changes to rate base, operating costs, and operating revenues	\$29 million	6%

- **Major capital investments¹ including pro-forma adjustments to reflect known and measurable changes include:**
 - o Four new solar sites - \$184 million
 - o Combustion Turbine Units at the Sutton site - \$120 million
 - o Additional investment to complete the combined cycle natural gas-fueled units at the Sutton site (Construction Work-In-Progress included in the 2013 rate case) - \$103 million
 - o Zero Liquid Discharge wastewater treatment system at the Mayo site - \$141 million
 - o Construction Work-In-Progress for the new natural gas-fueled units at the Asheville site (Western Carolinas Modernization Project) - \$193 million
- **Coal Ash Pond Closure costs include:**
 - o \$67 million to recover previously incurred expenses over a five year period
 - o \$129 million for ongoing expenses
- The request also includes the recovery of deferred storm costs, including costs incurred to restore service from the historic impacts of Hurricane Matthew, in the amount of \$30 million per year for three years.
- The Company has requested the NCUC approve the requested rates to be effective Jan. 1, 2018.

¹ Represents Duke Energy Progress total investment, which is allocated ~60% to NC.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): June 14, 2017

DUKE ENERGY CORPORATION
(a Delaware corporation)



1-32853
Commission file
number

20-2777218
IRS Employer
Identification No.

**550 South Tryon Street
Charlotte, North Carolina 28202-1803
704-382-3853**

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company
 - If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
-
-

Item 1.01. Entry into a Material Definitive Agreement.

On June 14, 2017, Duke Energy Corporation (the "Corporation") entered into a \$1,000,000,000 Credit Agreement, dated as of June 14, 2017, among the Corporation, as Borrower, the lenders listed therein, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents. The proceeds of loans made under the credit agreement will be used by the Corporation for general corporate purposes.

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

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

10.1 \$1,000,000,000 Credit Agreement, dated as of June 14, 2017, among Duke Energy Corporation, the lenders listed therein, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents.

SIGNATURE

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

DUKE ENERGY CORPORATION

Date: June 14, 2017

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

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
10.1	\$1,000,000,000 Credit Agreement, dated as of June 14, 2017, among Duke Energy Corporation, the Lenders party thereto, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents.

Exhibit 10.1

EXECUTION VERSION

\$1,000,000,000

CREDIT AGREEMENT

dated as of June 14, 2017

among

Duke Energy Corporation,
as Borrower,

The Lenders Listed Herein,

The Bank of Nova Scotia,
as Administrative Agent,

and

PNC Bank, National Association,
Sumitomo Mitsui Banking Corporation and
TD Bank, N.A.,
as Co-Syndication Agents

and

Bank of China, New York Branch
BNP Paribas
Santander Bank, N.A. and
U.S. Bank National Association,
as Co-Documentation Agents

The Bank of Nova Scotia
PNC Capital Markets LLC
Sumitomo Mitsui Banking Corporation and
TD Bank, N.A.,
as Joint Lead Arrangers and Joint Bookrunners

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CREDIT AGREEMENT

CREDIT AGREEMENT dated as of June 14, 2017 among DUKE ENERGY CORPORATION, as Borrower, the Lenders from time to time party hereto, THE BANK OF NOVA SCOTIA, as Administrative Agent, PNC BANK, NATIONAL ASSOCIATION, SUMITOMO MITSUI BANKING CORPORATION and TDBANK, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE I
DEFINITIONS

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

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

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

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

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

“**Aggregate Exposure**” means, with respect to any Lender at any time, (i) an amount equal to such Lender’s Commitment (whether used or unused) at such time or (ii) if such Lender’s Commitment shall have terminated, the sum of the aggregate outstanding principal amount of its Loans at such time.

“**Agreement**” means this Credit Agreement as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

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

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

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

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

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

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

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“**Bail-In Legislation**” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding (or any similar proceeding), or generally fails to pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business or assets appointed for it, or, in the good faith determination of the Administrative Agent (or, if the Administrative Agent is the subject of the Bankruptcy Event, the Required Lenders), has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that (except with respect to a Lender that is subject to a Bail-In Action) a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“**Base Rate**” means, for any day for which the same is to be calculated, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 1/2 of 1% and (c) the LIBOR Market Index Rate plus 1%; *provided*, that, if the Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Each change in the Base Rate shall take effect simultaneously with the corresponding change in the rates described in clauses (a), (b) or (c) above, as the case may be.

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

“**Borrower**” means Duke Energy Corporation, a Delaware corporation.

“**Borrowing**” has the meaning set forth in Section 1.03.

“**Change**” has the meaning set forth in Section 9.05(b).

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

“**Co-Documentation Agents**” means each of Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, in its capacity as documentation agent in respect of this Agreement.

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

“**Commitment Schedule**” means the Commitment Schedule attached hereto.

“**Commitment Termination Date**” means, for each Lender, June 14, 2020, or, if such day is not a Euro-Dollar Business Day, the next preceding Euro-Dollar Business Day.

“Connection Income Taxes” means, with respect to any Lender or Agent, taxes that are imposed on or measured by net income (however denominated), franchise taxes or branch profits taxes, in each case, imposed as a result of a connection (including any former connection) between such Lender or Agent and the jurisdiction imposing such tax (other than connections arising from such Lender or Agent having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any Note, or sold or assigned an interest in any Loan, this Agreement or any Note).

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

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

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

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

“Co-Syndication Agents” means each of PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., each in its capacity as syndication agent in respect of this Agreement.

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

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

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

“**Domestic Lending Office**” means, as to each Lender, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Lender may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Administrative Agent.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

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

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

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

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

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

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

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

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

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

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

“**Euro-Dollar Rate**” means a rate of interest determined pursuant to Section 2.06(b) on the basis of a London Interbank Offered Rate.

“**Euro-Dollar Reserve Percentage**” has the meaning set forth in Section 2.16.

“**Event of Default**” has the meaning set forth in Section 6.01.

“**Facility Fee Rate**” means, with respect to the Borrower, the applicable rate per annum for the Borrower determined in accordance with the Pricing Schedule.

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

“**Federal Funds Rate**” means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day; *provided* that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Scotiabank on such day on such transactions as determined by the Administrative Agent; *provided further*, that, if the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

"Lender" means each bank or other financial institution listed on the signature pages hereof, each Assignee which becomes a Lender pursuant to Section 9.06(c), and their respective successors.

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

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

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

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

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

“**Master Credit Facility**” means the Credit Agreement dated as of November 18, 2011, as amended by Amendment No. 1 and Consent dated as of December 18, 2013, Amendment No. 2 and Consent, dated as of January 30, 2015 and Amendment No. 3 and Consent dated as of March 16, 2017, among the Borrower, the other borrowers thereto, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, and the other agents party thereto, as the same may be amended, amended and restated, modified, supplemented, refinanced or replaced from time to time after the date hereof.

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

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

“**Material Subsidiary**” means at any time, with respect to the Borrower, any Subsidiary of the Borrower whose total assets exceeds 15% of the total assets (after intercompany eliminations) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, all as reflected in the consolidated financial statements of the Borrower most recently delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or 5.01(b).

“**Moody’s**” means Moody’s Investors Service, Inc. (or any successor thereto).

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

“Non-Recourse Indebtedness” means any Indebtedness incurred by a Subsidiary of the Borrower to develop, construct, own, improve or operate a defined facility or project (a) as to which no Borrower (i) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness but excluding tax sharing arrangements and similar arrangements to make contributions to such Subsidiary to account for tax benefits generated by such Subsidiary), (ii) is directly or indirectly liable as a guarantor or otherwise, or (iii) constitutes the lender; (b) no default with respect to which would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Loans or the Notes) of the Borrower to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (c) as to which the lenders will not have any recourse to the stock or assets of the Borrower or other Subsidiary (other than the stock of or intercompany loans to such Subsidiary); provided that in each case in clauses (a) and (c) above, the Borrower or other Subsidiary may provide credit support and recourse in an amount not exceeding 15% in the aggregate of any such Indebtedness and such Indebtedness shall still be deemed to be Non-Recourse Indebtedness.

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

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

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

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

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

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

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

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

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

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

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

“**Plan**” means at any time an employee pension benefit plan which is covered by Title IV of ERISA or Sections 412 or 430 of the Internal Revenue Code or Sections 302 and 303 of ERISA and is either (i) maintained by a member of the ERISA Group for employees of a member of the ERISA Group or (ii) maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“**Pricing Schedule**” means the Pricing Schedule attached hereto.

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

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

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

“**Related Parties**” means, with respect to any Person, such Person’s Subsidiaries and Affiliates and the partners, directors, officers, employees, agents, trustees, advisors, administrators and managers of such Person and of such Person’s Subsidiaries and Affiliates.

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

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

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

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

“**Scotiabank**” means The Bank of Nova Scotia.

“**S&P**” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc. (or any successor thereto).

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

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

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

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

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

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

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

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

“**Write-Down and Conversion Powers**” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

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

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

ARTICLE 2 THE CREDITS

Section 2.01. *Commitments to Lend.* During the Revolving Credit Period, each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this subsection from time to time in an aggregate amount not to exceed such Lender's Commitment. Each Borrowing under this subsection shall be in an aggregate principal amount of \$10,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the aggregate amount available in accordance with Section 3.03(b)) and shall be made from the several Lenders ratably in proportion to their respective Commitments in effect on the date of Borrowing. Within the foregoing limits, the Borrower may borrow under this Section 2.01, or to the extent permitted by Section 2.11, prepay Loans and reborrow at any time during the Revolving Credit Period under this Section 2.01.

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

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

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

(b) Not later than 1:00 P.M. (Eastern time) on the date of each Borrowing, each Lender participating therein shall (except as provided in subsection (c) of this Section) make available its share of such Borrowing, in Federal or other immediately available funds, to the Administrative Agent at its address specified in or pursuant to Section 9.01. Unless the Administrative Agent determines that any applicable condition specified in Article 3 has not been satisfied, the Administrative Agent will disburse the funds so received from the Lenders to an account designated by an Approved Officer of the Borrower.

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

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

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

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

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

Section 2.05. *Maturity of Loans.* Each Loan made by any Lender shall mature, and the principal amount thereof shall be due and payable together with accrued interest thereon, on the Commitment Termination Date.

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

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

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

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

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

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

(b) *Payments.* Accrued fees under this Section for the account of any Lender shall be payable quarterly in arrears on each Quarterly Payment Date and upon the Commitment Termination Date (and, if earlier, the date the Aggregate Exposure is reduced to zero).

Section 2.08. *Optional Termination of Commitments.* The Borrower may, upon not less than three Domestic Business Days' notice to the Administrative Agent, reduce the Commitments (i) to zero, if no Loans are outstanding or (ii) by an amount of \$10,000,000 or any larger multiple of \$5,000,000 so long as, after giving effect to such reduction, the aggregate Commitments are not less than the sum of the aggregate principal amount of Loans outstanding.

Section 2.09. *Method of Electing Interest Rates.* (a) The Loans included in each Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject in each case to the provisions of Article 8 and the last sentence of this subsection (a)), as follows:

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

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

(b) Each Notice of Interest Rate Election shall specify:

- (i) the Group of Loans (or portion thereof) to which such notice applies;
- (ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of subsection 2.09(a) above;
- (iii) if the Loans comprising such Group are to be converted, the new type of Loans and, if the Loans being converted are to be Euro-Dollar Loans, the duration of the next succeeding Interest Period applicable thereto; and

(iv) if such Loans are to be continued as Euro-Dollar Loans for an additional Interest Period, the duration of such additional Interest Period.

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

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

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

Section 2.10. *Mandatory Termination of Commitments.* The Commitment of each Lender shall terminate on the Commitment Termination Date.

Section 2.11. *Optional Prepayments.* (a) The Borrower may (i) upon notice to the Administrative Agent not later than 11:00 A.M. (Eastern time) on any Domestic Business Day prepay on such Domestic Business Day any Group of Base Rate Loans and (ii) upon at least three Euro-Dollar Business Days’ notice to the Administrative Agent not later than 11:00 A.M. (Eastern time) prepay any Group of Euro-Dollar Loans, in each case in whole at any time, or from time to time in part in amounts aggregating \$5,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment and together with any additional amounts payable pursuant to Section 2.13. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Lenders included in such Group or Borrowing.

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

Section 2.12. *General Provisions as to Payments.* (a) The Borrower shall make each payment of principal of, and interest on, the Loans and of fees hereunder, not later than 1:00 P.M. (Eastern time) on the date when due, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address referred to in Section 9.01 and without reduction by reason of any set-off, counterclaim or deduction of any kind. The Administrative Agent will promptly distribute to each Lender in like funds its ratable share of each such payment received by the Administrative Agent for the account of the Lenders. Whenever any payment of principal of, or interest on, the Base Rate Loans or of fees shall be due on a day which is

not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

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

Section 2.13. *Funding Losses.* If the Borrower makes any payment of principal with respect to any Euro-Dollar Loan (other than payments made by an Assignee pursuant to Section 8.06(a) or by the Borrower pursuant to Section 8.06(b) in respect of a Defaulting Lender's Euro-Dollar Loans) or any Euro-Dollar Loan is converted to a Base Rate Loan or continued as a Euro-Dollar Loan for a new Interest Period (pursuant to Article 2, 6 or 8 or otherwise) on any day other than the last day of an Interest Period applicable thereto, or if the Borrower fails to borrow, prepay, convert or continue any Euro-Dollar Loans after notice has been given to any Lender in accordance with Section 2.03(a), 2.09(c) or 2.11(b), the Borrower shall reimburse each Lender within 15 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or conversion or failure to borrow, prepay, convert or continue; *provided* that such Lender shall have delivered to the Borrower a certificate setting forth in reasonable detail the calculation of the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

Section 2.14. *Computation of Interest and Fees.* Interest based on clause (a) of the definition of Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and all fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.15. *[Reserved].*

Section 2.16. *Regulation D Compensation.* In the event that a Lender is required to maintain reserves of the type contemplated by the definition of “Euro-Dollar Reserve Percentage”, such Lender may require the Borrower to pay, contemporaneously with each payment of interest on the Euro-Dollar Loans, additional interest on the related Euro-Dollar Loan of such Lender at a rate per annum determined by such Lender up to but not exceeding the excess of (i) (A) the applicable London Interbank Offered Rate divided by (B) one *minus* the Euro-Dollar Reserve Percentage over (ii) the applicable London Interbank Offered Rate. Any Lender wishing to require payment of such additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Euro-Dollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Euro-Dollar Business Days after the giving of such notice and (y) shall notify the Borrower at least three Euro-Dollar Business Days prior to each date on which interest is payable on the Euro-Dollar Loans of the amount then due it under this Section. Each such notification shall be accompanied by such information as the Borrower may reasonably request.

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

Section 2.17. *[Reserved.]*

Section 2.18. *[Reserved].*

Section 2.19. *Defaulting Lenders.* If any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender, to the extent permitted by applicable law:

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

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

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

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

(iii) third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement;

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

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

(vi) sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 3.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments.

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

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

ARTICLE 3
CONDITIONS

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

(a) receipt by the Administrative Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it of facsimile or other written confirmation from such party of execution of a counterpart hereof by such party);

(b) receipt by the Administrative Agent of (i) an opinion of internal counsel of the Borrower and (ii) an opinion of Moore & Van Allen PLLC, special counsel for the Borrower, in each case in form and substance reasonably satisfactory to the Required Lenders;

(c) receipt by the Administrative Agent of a certificate signed by a Vice President, the Treasurer, an Assistant Treasurer or the Controller of the Borrower, dated the Effective Date, to the effect set forth in clauses (c) and (d) of Section 3.03 (without giving effect to the parenthetical in such clause (d));

(d) receipt by the Administrative Agent of all documents it may have reasonably requested prior to the date hereof relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent;

(e) receipt by the Administrative Agent of evidence satisfactory to it that the upfront fees, arrangement fees, administrative agency fees and expenses payable by the Borrower on the Effective Date have been paid; and

(f) receipt by the Administrative Agent, at least three Domestic Business Days prior to the Effective Date, all documentation and other information about the Borrower that shall have been reasonably requested by the Administrative Agent in writing at least 10 Domestic Business Days prior to the Effective Date and that the Administrative Agent reasonably determines is required by United States regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act.

provided that the Commitments shall not become effective unless all of the foregoing conditions are satisfied not later than June 30, 2017. The Administrative Agent shall promptly notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding on all parties hereto.

Section 3.02. *[Reserved]*.

Section 3.03. *Borrowings*. The obligation of any Lender to make a Loan on the occasion of any Borrowing at the request of the Borrower is subject to the satisfaction of the following conditions:

- (a) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.02;
- (b) the fact that, immediately after such Borrowing, the outstanding Loans of each Lender do not exceed such Lender's Aggregate Exposure;
- (c) the fact that, immediately after such Borrowing, no Default with respect to the Borrower shall have occurred and be continuing; and
- (d) the fact that the representations and warranties of the Borrower contained in this Agreement (except the representations and warranties set forth in Sections 4.04(c) and 4.06) shall be true on and as of the date of such Borrowing.

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

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

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

Section 4.02. *Corporate and Governmental Authorization; No Contravention*. The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the Borrower's powers, have been duly authorized by all necessary company action, require no action by or in respect of, or filing with, any Governmental Authority (except for consents, authorizations or filings which have been obtained or made, as the case may be, and are in full force and effect) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the articles of incorporation, by-laws, certificate of formation or the limited liability company agreement of the Borrower or of any material agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Material Subsidiaries.

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

Section 4.04. *Financial Information.* (a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of December 31, 2016 and the related consolidated statements of income, cash flows, capitalization and retained earnings for the fiscal year then ended, reported on by Deloitte & Touche, copies of which have been delivered to each of the Lenders by using the Borrower's Syndtrak site or otherwise made available, fairly present in all material respects, in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

(b) The unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of March 31, 2017 and the related unaudited consolidated statements of income and cash flows for the three months then ended, copies of which have been delivered to each of the Lenders by using the Borrower's Syndtrak site or otherwise made available, fairly present in all material respects, in conformity with generally accepted accounting principles applied on a basis consistent with the financial statements referred to in subsection (a) of this Section, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such three-month period (subject to normal year-end adjustments and the absence of footnotes).

(c) Since December 31, 2016, there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, except as publicly disclosed prior to the Effective Date.

Section 4.05. *Regulation U.* The Borrower and its Material Subsidiaries are not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System) and no proceeds of any Borrowing by the Borrower will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. Not more than 25% of the value of the assets of the Borrower and its Material Subsidiaries is represented by margin stock.

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

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

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

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

ARTICLE 5
COVENANTS

The Borrower agrees that, so long as any Lender has any Commitment hereunder or any amount payable hereunder remains unpaid by the Borrower:

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

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

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

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

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

(e) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(f) if and when any member of the Borrower's ERISA Group (i) gives or is reasonably expected to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Material Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Material Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Material Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under

Title IV of ERISA of an intent to terminate, impose material liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Material Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Material Plan pursuant to Section 4063 of ERISA, a copy of such notice; (vii) receives notice of the cessation of operations at a facility of any member of the ERISA Group in the circumstances described in Section 4062(e) of ERISA; or (viii) fails to make any payment or contribution to any Material Plan or makes any amendment to any Material Plan which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer or the chief accounting officer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take;

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

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

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

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

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

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

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

Section 5.05. *Compliance with Laws.* The Borrower will comply, and cause each of its Material Subsidiaries to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of Governmental Authorities (including, without limitation, ERISA, applicable Sanctions and Anti-Corruption Laws and Environmental Laws) except where (i) noncompliance would not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, or (ii) the necessity of compliance therewith is contested in good faith by appropriate proceedings.

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

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

- (a) Liens granted by the Borrower existing as of the Effective Date, securing Indebtedness outstanding on the date of this Agreement in an aggregate principal amount not exceeding \$100,000,000;
- (b) [reserved];
- (c) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower and not created in contemplation of such event;
- (d) any Lien existing on any asset prior to the acquisition thereof by the Borrower and not created in contemplation of such acquisition;
- (e) any Lien on any asset securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset; *provided* that such Lien attaches to such asset concurrently with or within 180 days after the acquisition thereof;
- (f) any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of the foregoing clauses of this Section; *provided* that such Indebtedness is not increased (except by accrued interest, prepayment premiums and fees and expenses incurred in connection with such refinancing, extension, renewal or refunding) and is not secured by any additional assets;
- (g) Liens for taxes, assessments or other governmental charges or levies not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with generally accepted accounting principles;
- (h) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by law, created in the ordinary course of business and for amounts not past due for more than 60 days or which are being contested in good faith by appropriate proceedings which are sufficient to prevent imminent foreclosure of such Liens, are promptly instituted and diligently conducted and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with generally accepted accounting principles;
- (i) Liens incurred or deposits made in the ordinary course of business (including, without limitation, surety bonds and appeal bonds) in connection with workers' compensation, unemployment insurance and other types of social security benefits or to secure the performance of tenders, bids, leases, contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations or arising as a result of progress payments under government contracts;

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

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

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

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

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

(o) Liens not otherwise permitted by the foregoing clauses of this Section on assets of the Borrower securing obligations in an aggregate principal or face amount at any date not to exceed 15% of the Consolidated Net Assets of the Borrower;

(p) [reserved]; and

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

Section 5.08. *Consolidations, Mergers and Sales of Assets.* The Borrower will not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer, directly or indirectly, Substantial Assets to any Person (other than a Subsidiary of the Borrower); *provided* that the Borrower may merge with another Person if the Borrower is the Person surviving such merger and, after giving effect thereto, no Default shall have occurred and be continuing.

Section 5.09. *Use of Proceeds.* The proceeds of the Loans made under this Agreement will be used by the Borrower for its general corporate purposes. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any “**margin stock**” within the meaning of Regulation U. None of such proceeds will be used (i) for the purpose of knowingly financing the activities of or any transactions with any Sanctioned Person or in any country, region or territory that is the subject of Sanctions applicable to the Borrower and

its Subsidiaries and where the financed activity would be prohibited by such applicable Sanctions, at the time of such financing or (ii) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws.

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

ARTICLE 6
DEFAULTS

Section 6.01. *Events of Default*. Subject to Section 9.05(b)(ii), if one or more of the following events (“**Events of Default**”) with respect to the Borrower shall have occurred and be continuing:

(a) the Borrower shall fail to pay when due any principal of any Loan owed by it or shall fail to pay, within five days of the due date thereof, any interest, fees or any other amount payable by it hereunder;

(b) the Borrower shall fail to observe or perform any covenant contained in Sections 5.01(d), 5.04, 5.07, 5.08, 5.10 or the second or third sentence of 5.09, inclusive;

(c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 30 days after notice thereof has been given to the Borrower by the Administrative Agent at the request of any Lender;

(d) any representation, warranty, certification or statement made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made (or deemed made);

(e) the Borrower or any of its Material Subsidiaries shall fail to make any payment in respect of Material Debt (other than Loans to the Borrower hereunder) when due or within any applicable grace period;

(f) any event or condition shall occur and shall continue beyond the applicable grace or cure period, if any, provided with respect thereto so as to result in the acceleration of the maturity of Material Debt;

(g) the Borrower or any of its Material Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an

involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or shall fail generally to, pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Borrower or any of its Material Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 90 days; or an order for relief shall be entered against the Borrower or any of its Material Subsidiaries under the federal bankruptcy laws as now or hereafter in effect;

(i) any member of the Borrower's ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of \$150,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans of such ERISA Group having aggregate Unfunded Vested Liabilities in excess of \$150,000,000 (collectively, a "**Material Plan**") shall be filed under Title IV of ERISA by any member of such ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Material Plan or a proceeding shall be instituted by a fiduciary of any such Material Plan against any member of such ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 90 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any such Material Plan must be terminated;

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

(k) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) other than trustees and participants in employee benefit plans of the Borrower and its Subsidiaries or the Endowment or Trust, shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Exchange Act) of 50% or more of the outstanding shares of common stock of the Borrower; during any period of twelve consecutive calendar months, individuals (i) who were members of the board of directors of the Borrower or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body shall cease to constitute a majority of the board of directors of the Borrower; or in the case of the Borrower other than the Borrower, the Borrower shall cease to be a Subsidiary of the Borrower; or

(l) any "Event of Default" (as defined in the Master Credit Facility) with respect to the Borrower under the Master Credit Facility;

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

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

ARTICLE 7
THE ADMINISTRATIVE AGENT

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

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

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

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

Section 7.05. *Liability of Administrative Agent.* Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be liable to any Lender for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Lenders or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article 3, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Administrative Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, facsimile or similar writing) believed by it in good faith to be genuine or to be signed by the proper party or parties. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

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

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

Section 7.08. *Successor Administrative Agent.*

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

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

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

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

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

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

ARTICLE 8
CHANGE IN CIRCUMSTANCES

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

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

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

the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, (i) the obligations of the Lenders to make Euro-Dollar Loans or to continue or convert outstanding Loans as or into Euro-Dollar Loans shall be suspended and (ii) each outstanding Euro-Dollar Loan shall be converted into a Base Rate Loan on the last day of the then current Interest Period applicable thereto. Unless the Borrower notifies the Administrative Agent at least one Domestic Business Day before the date of any Euro-Dollar Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, such Borrowing shall instead be made as a Base Rate Borrowing.

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

Section 8.03. *Increased Cost and Reduced Return.* (a) If any Change In Law (i) shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended by, any Lender (or its Applicable Lending Office); (ii) shall subject any Lender or Agent to any taxes (other than (A) Taxes, (B) taxes described in clauses (ii), (iii) or (iv) of the exclusions from the definition of Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or (iii) shall impose on any Lender (or its Applicable Lending Office) or on the London interbank market any other condition, cost or expense affecting its Euro-Dollar Loans, its Note or its obligation to make Euro-Dollar Loans and the result of any of the foregoing is to increase the cost to such Lender (or its Applicable Lending Office) of making or maintaining any Euro-Dollar Loan (or, in the case of an adoption or change with respect to taxes, any Loan), or to reduce the amount of any sum received or receivable by such Lender (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Lender to be material, then, within 15 days after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction; *provided* that no such amount shall be payable with respect to any period commencing more than 90 days prior to the date such Lender first notifies the Borrower of its intention to demand compensation therefor under this Section 8.03(a).

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

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

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

“**FATCA**” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code. For purposes of this Section 8.04, “applicable law” includes FATCA.

“**Taxes**” means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings including any interest, additions to tax or penalties applicable thereto with respect to any payment by or on account of any obligation of the Borrower pursuant to this Agreement or any Note, *excluding* (i) in the case of each Lender and the Administrative Agent, taxes imposed on its income, net worth or gross receipts and franchise or similar taxes imposed on it by a jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or in which its principal executive office is located or, in the case of each Lender, in which its Applicable Lending Office is located, (ii) in the case of each Lender, any United States withholding tax imposed on such payments except to the extent that (A) such Lender is subject to United States withholding tax by reason of a U.S. Tax Law Change or (B) in the case of a Lender not listed on the signature pages hereof or a Participant, amounts with respect to such Taxes were payable pursuant to Section 8.04 to such Lender’s assignor or to such Participant’s participating Lender immediately before such Lender or Participant acquired the applicable interest in a Loan or Commitment; (iii) Taxes attributable to such Lender’s or Administrative Agent’s failure to comply with Section 8.04(d) or (e) and (iv) any U.S. federal withholding Taxes imposed under FATCA.

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

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

(b) Any and all payments by or any account of the Borrower to or for the account of any Lender or the Administrative Agent hereunder or under any Note shall be made without deduction for any Taxes or Other Taxes, except as required by applicable law; provided that if the Borrower or the Administrative Agent shall be required by law to deduct any Taxes or Other Taxes from any such payments, (i) the sum payable by the

Borrower shall be increased as necessary so that after all required deductions are made (including deductions applicable to additional sums payable under this Section 8.04) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower or the Administrative Agent shall make such deductions, (iii) the Borrower or the Administrative Agent shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law and (iv) if the withholding agent is the Borrower, the Borrower shall furnish to the Administrative Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt evidencing payment thereof.

(c) The Borrower agrees to indemnify each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 8.04) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be paid within 15 days after such Lender or the Administrative Agent (as the case may be) makes demand therefor.

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

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

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

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

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

(e) Any Lender that is organized under the laws of a jurisdiction within the United States shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax.

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

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

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

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

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

(k) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Borrower to do so), (ii) any taxes attributable to such Lender's failure to comply with the provisions of Section 9.06(b) relating to the maintenance of a Participant Register and (iii) any taxes excluded from the definition of Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with this Agreement or any Note, and any reasonable expenses arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender hereunder or under any Note or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (k).

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

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

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

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

Section 8.06. *Substitution of Lender; Termination Option.* If (i) the obligation of any Lender to make or to convert or continue outstanding Loans as or into Euro-Dollar Loans has been suspended pursuant to Section 8.02, (ii) any Lender has demanded compensation under Section 8.03 or 8.04 (including any demand made by a Lender on behalf of a Participant), (iii) [reserved], (iv) any Lender becomes a Defaulting Lender, (v) Investment Grade Status ceases to exist as to any Lender or, (vi) for purposes of (a) below only, any Lender becomes a Non-Consenting Lender, then:

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

(b) if at the time Investment Grade Status exists as to the Borrower, the Borrower may elect to terminate this Agreement as to such Lender (including any Commitments and Loans that have been participated); *provided* that (i) the Borrower notifies such Lender through the Administrative Agent (or, if the Administrative Agent is a Defaulting Lender, the Required Lenders) of such election at least three Euro-Dollar Business Days before the effective date of such termination and (ii) the Borrower repay or prepay the principal amount of all outstanding Loans made by such Lender plus any accrued but unpaid interest thereon and the accrued but unpaid fees in respect of such Lender's Commitment hereunder plus all other amounts payable by the Borrower to such Lender hereunder, not later than the effective date of such termination. Upon satisfaction of the foregoing conditions, the Commitment of such Lender shall terminate on the effective date specified in such notice.

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Notices.*

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

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

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

Section 9.03. *Expenses; Indemnification.* (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses of the Administrative Agent, including reasonable fees and disbursements of one special counsel for the Administrative Agent, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default with respect to the Borrower hereunder and (ii) if an Event of Default with respect to the Borrower occurs, all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including reasonable fees and disbursements of one primary counsel for the Administrative Agent and the Lenders (and (x) if necessary, a single firm of local counsel to the Administrative Agent and the Lenders in each appropriate jurisdiction and (y) solely in the case of any actual or potential conflict of interest, one additional counsel in each relevant jurisdiction to the affected Persons similarly situated), in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom.

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

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

Section 9.04. *Sharing of Set-offs.* Each Lender agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount then due with respect to the Loans held by it which is greater than the proportion received by any other Lender in respect of the aggregate amount then due with respect to the Loans held by such other Lender, the Lender receiving such proportionately greater payment shall purchase such participations in the Loans held by the other Lenders, and such other adjustments shall be made, as may be

required so that all such payments with respect to the Loans held by the Lenders shall be shared by the Lenders pro rata; *provided* that nothing in this Section shall impair the right of any Lender to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness under this Agreement.

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

(b) (i) If any representation or warranty in Article 4 of the Master Credit Facility, any covenant in Article 5 of the Master Credit Facility or any event of default in Article 6 of the Master Credit Facility and, in each case, any related definitions in the Master Credit Facility, is replaced, changed, amended, modified, supplemented or removed or (ii) any Default or Event of Default (as such terms are defined in the Master Credit Facility) is waived (any of the foregoing in clauses (i) and (ii), a “**Change**”), regardless of whether the Master Credit Facility is replaced, refinanced, amended and restated, amended, modified or supplemented and regardless of whether any such Change occurs in the corresponding article or definitions, such Change shall be incorporated automatically into this Agreement, or in the case of a waiver will be applied automatically to this Agreement for the corresponding Default or Event of Default occurring hereunder, in each case upon the later of (A) the effectiveness of such Change in the Master Credit Facility and (B) the 30th day after the Administrative Agent’s receipt of notice from the Borrower of such Change, provided that the Required Lenders hereunder do not notify the Borrower through the Administrative Agent within 30 days after the Administrative Agent’s receipt of such notice from the Borrower of their election (which may be made in their discretion) that such Change shall not be effective with respect to this Agreement; *provided* that no Change to the Master Credit Facility shall amend, waive, modify or impact the rights or remedies of the Lenders with respect to a Default or Event of Default under Section 6.01(a) of this Agreement.

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

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

(c) Any Lender may at any time assign to one or more banks or other financial institutions (each an “Assignee”) other than (w) the Borrower (x) a Subsidiary or Affiliate of the Borrower, (y) a Defaulting Lender or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender, or (z) a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), all, or a proportionate part (equivalent to an initial Commitment of not less than \$10,000,000 (unless the Borrower and the Administrative Agent shall otherwise agree)) of all, of its rights and obligations under this Agreement and its Note (if any), and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit D hereto executed by such Assignee and such transferor Lender, with (and only with and subject to) the prior written consent of the Administrative Agent (which shall not be unreasonably withheld or delayed) and, so long as no Event of Default has occurred and is continuing, the Borrower (which shall not be unreasonably withheld or delayed); *provided* that unless such assignment is of the entire right, title and interest of the transferor Lender hereunder, after making any such assignment such transferor Lender shall have a Commitment of at least \$10,000,000 (unless the Borrower and the Administrative Agent shall otherwise agree). Upon execution and delivery of such instrument of assumption and payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such instrument of assumption, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Lender, the Administrative Agent and the Borrower shall make appropriate arrangements so that, if required by the Assignee, a Note(s) is issued to the Assignee. The Assignee shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent any certifications, forms or other documentation in accordance with Section 8.04. All assignments (other than assignments to Affiliates) shall be subject to a transaction fee established by, and payable by the transferor Lender to, the Administrative Agent for its own account (which shall not exceed \$3,500).

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

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

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

Section 9.08. *Confidentiality*. Each Lender Party (i) agrees to keep any information delivered or made available by the Borrower pursuant to this Agreement confidential from anyone other than persons employed or retained by such Lender Party and its Affiliates who are engaged in evaluating, approving, structuring or administering the credit facility contemplated hereby and (ii) further agrees on behalf of itself and, to the extent it has the power to do so, its Affiliates and agents, to keep all other information delivered or made available to it by the Borrower or Affiliate of the Borrower for other purposes which, (x) is marked confidential and is expressly made available subject to the terms of this section, and (y) is not otherwise subject to a confidentiality agreement, confidential from anyone other than persons employed or retained by such Lender Party and its Affiliates and agents who need to receive such information in furtherance of the engagement or matter pursuant to which the information is provided; *provided* that nothing herein shall prevent any Lender Party or, solely with respect to information disclosed in a manner set forth in clauses (b) through (g) and (m) in this Section 9.08, any Affiliate of such Lender Party from disclosing such information, to the extent necessary under the circumstances under which such disclosure is required, (a) to any other Lender or any Agent, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority or self-regulatory body, (d) which had been publicly disclosed other than as a result of a disclosure by any Lender Party prohibited by this Agreement or which had already been in the possession of a Lender Party or not acquired from the Borrower or persons known by Lender Parties to be in breach of an obligation of confidentiality to the Borrower, (e) in connection with any litigation to which any Lender Party or any Affiliate or their respective subsidiaries or Parent may be a party, (f) to the extent necessary in connection with the exercise of any remedy hereunder or other engagement or matter, (g) to such Lender Party’s or Affiliate’s legal counsel and independent auditors, (h) subject to provisions substantially similar to those contained in this Section 9.08, to any actual or proposed Participant or Assignee, (i) to any direct, indirect, actual or prospective counterparty (and its advisor) to any swap, derivative or securitization transaction related to the obligations under this Agreement, (j) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the loans, (k) on a confidential basis to rating agencies in consultation and coordination with the Borrower, (l) for purposes of establishing a “due diligence” defense, (m) with the consent of the Borrower and (n) on a confidential basis to any credit insurance provider requiring access to such information in connection with credit insurance for the benefit of the disclosing Lender Party.

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

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

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

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

Section 9.13. *[Reserved].*

Section 9.14. *No Fiduciary Duty.* The Borrower agrees that in connection with all aspects of the Loans contemplated by this Agreement and any communications in connection therewith, (i) the Borrower and its Subsidiaries, on the one hand, and the Agents, the Lenders and their respective affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agents, the Lenders or their respective affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications and (ii) the Administrative Agent, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any Lender has any obligation to disclose any of such interests to the Borrower or any of its Affiliates.

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

Section 9.16. *Acknowledgement and Consent to Bail-in of EEA Financial Institutions.* Notwithstanding anything to the contrary in this Agreement, any Note or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Agreement or any Note, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any Note; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[SIGNATURE PAGES FOLLOW]

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

DUKE ENERGY CORPORATION, as the Borrower.

By: /s/ John L. Sullivan, III
Name: John L. Sullivan, III
Title: Assistant Treasurer

[Signature Page to Credit Agreement]

THE BANK OF NOVA SCOTIA, as a Lender and as
Administrative Agent

By: /s/ David Dewar
Name: David Dewar
Title: Director

[Signature Page to Credit Agreement]

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Madeline L. Moran

Name: Madeline L. Moran

Title: Vice President

[Signature Page to Credit Agreement]

SUMITOMO MITSUI BANKING CORPORATION, as a Lender

By: /s/ James D. Weinstein

Name: James D. Weinstein

Title: Managing Director

[Signature Page to Credit Agreement]

TD Bank, N.A., as a Lender

By: /s/ Shannon Batchman

Name: Shannon Batchman

Title: Senior Vice President

[Signature Page to Credit Agreement]

Bank of China, New York Branch, as a Lender

By: /s/ Raymond Qiao

Name: Raymond Qiao

Title: Managing Director

[Signature Page to Credit Agreement]

BNP PARIBAS, as a Lender

By: /s/ Denis O'Meara

Name: Denis O'Meara

Title: Managing Director

BNP PARIBAS, as a Lender

By: /s/ Karima Omar

Name: Karima Omar

Title: Vice President

[Signature Page to Credit Agreement]

SANTANDER BANK, N.A., as a Lender

By: /s/ Andres Barbosa

Name: Andres Barbosa

Title: Executive Director

[Signature Page to Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ James O'Shaughnessy

Name: James O'Shaughnessy

Title: Vice President

[Signature Page to Credit Agreement]

COMMITMENT SCHEDULE

<u>Lender</u>	<u>Total Commitments</u>
The Bank of Nova Scotia	\$ 175,000,000.00
PNC Bank, National Association	\$ 175,000,000.00
Sumitomo Mitsui Banking Corporation	\$ 175,000,000.00
TD Bank, N.A.	\$ 175,000,000.00
Bank of China, New York Branch	\$ 75,000,000.00
BNP Paribas	\$ 75,000,000.00
Santander Bank, N.A.	\$ 75,000,000.00
U.S. Bank National Association	\$ 75,000,000.00
TOTAL	\$ 1,000,000,000

Pricing Schedule

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

(basis points per annum)

Borrower’s Credit Rating	at least A- by S&P or Fitch or A3 by Moody’s	at least BBB+ by S&P or Fitch or Baa1 by Moody’s	at least BBB by S&P or Fitch or Baa2 by Moody’s	less than BBB by S&P or Fitch or less than Baa2 by Moody’s
Facility Fee Rate	12.5	12.5	12.5	12.5
Applicable Margin				
Euro-Dollar Loans	82.5	92.5	117.5	132.5
Base Rate Loans	0.0	0.0	17.5	32.5

For purposes of the above Pricing Schedule a “Borrower Credit Rating” means, as of any date of determination with respect to the Borrower, the rating as determined by Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc., together with its successors (“**S&P**”), or Moody’s Investors Service, Inc., together with its successors (“**Moody’s**”), or Fitch Ratings Inc., together with its successors (“**Fitch**”), of the Borrower’s non-credit-enhanced, senior unsecured long-term debt, regardless of whether any such debt is outstanding; provided that (a) if ratings exist by all three rating agencies and the respective ratings issued by two of the rating agencies are the same and one differs, the pricing level shall be determined based on the two ratings that are the same, (b) if ratings exist by all three rating agencies and none of the respective ratings are the same, the pricing level shall be determined based on the middle rating, (c) if only two ratings exist and they differ by one level, then the pricing level for the higher of such ratings shall apply; (d) if only two ratings exist and they differ by more than one level, then the pricing level that is one level lower than the pricing level of the higher rating shall apply; (e) if only one rating exists, the pricing level shall be determined based on that rating; (f) if no such rating exists for the Borrower, then a corporate credit rating from S&P and the issuer ratings from Moody’s and Fitch should be used and differences between those ratings and resolving non-existent ratings from any of those rating

agencies shall be determined in the same manner as set forth in clauses (a) through (e) of this proviso; and (g) if no such rating in clause (f) exists for the Borrower, the highest pricing level (less than “BBB” pricing level) shall apply. A change in rating will result in an immediate change in the applicable pricing.

EXHIBIT A

NOTE

New York, New York
, 20

For value received, Duke Energy Corporation., a Delaware corporation (the "**Borrower**"), promises to pay to [] (the "**Lender**") or its registered assigns, for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Lender to the Borrower pursuant to the Credit Agreement referred to below on the date specified in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of The Bank of Nova Scotia.

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

This note is one of the Notes referred to in the Credit Agreement dated as of June 14, 2017 among Duke Energy Corporation, the Lenders party thereto, The Bank of Nova Scotia, as Administrative Agent, and the other Agents party thereto (as the same may be amended, restated, amended and restated, supplement or otherwise modified from time to time, the "**Credit Agreement**"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

DUKE ENERGY CORPORATION

By: _____

Name:

Title:

Note (cont'd)

LOANS AND PAYMENTS OF PRINCIPAL

<u>Date</u>	<u>Amount of Loan</u>	<u>Type of Loan</u>	<u>Amount of Principal Repaid</u>	<u>Commitment Termination Date</u>	<u>Notation Made By</u>

EXHIBIT B

[RESERVED]

B-1

EXHIBIT C

[RESERVED]

C-1

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

AGREEMENT dated as of _____, 20____ among [ASSIGNOR] (the “**Assignor**”), [ASSIGNEE] (the “**Assignee**”), [DUKE ENERGY CORPORATION, a Delaware corporation] and THE BANK OF NOVA SCOTIA, as Administrative Agent (the “**Administrative Agent**”).

WITNESSETH

WHEREAS, this Assignment and Assumption Agreement (the “**Agreement**”) relates to the Credit Agreement dated as of June 14, 2017 among Duke Energy Corporation, the Assignor and the other Lenders party thereto, as Lenders, the Administrative Agent and the other Agents party thereto (as the same may be amended, modified, extended or restated from time to time, the “**Credit Agreement**”);

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans to the Borrower in an aggregate principal amount at any time outstanding not to exceed \$ _____;¹

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[ASSIGNOR]

By: _____
Name:
Title:

[ASSIGNEE]

By: _____
Name:
Title:

[DUKE ENERGY CORPORATION]

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA, as Administrative Agent

By: _____
Name:
Title:

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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 3, 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Conditions.

On August 3, 2017, Duke Energy Corporation will issue and post a news release to its website (www.Duke-Energy.com/investors) announcing its financial results for the second quarter ended June 30, 2017. 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 to be issued by Duke Energy Corporation on August 3, 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: August 3, 2017

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	News Release to be issued by Duke Energy Corporation on August 3, 2017

News Release



Media Contact: Catherine Butler
24-Hour: 800.559.3853

Analysts: Mike Callahan
Office: 704.382.0459

Aug. 3, 2017

Duke Energy reports second quarter 2017 financial results

- **Second quarter 2017 GAAP reported diluted earnings per share (EPS) was \$0.98 compared to \$0.74 in 2016; adjusted diluted EPS was \$1.01 for the second quarter of 2017 compared to \$1.07 for the second quarter of 2016**
- **Company continues to execute on growth strategy, including advancing public policy solutions and enabling timely investment recovery**
- **Company remains on track to achieve its 2017 adjusted diluted earnings guidance range of \$4.50 to \$4.70 per share**

CHARLOTTE, N.C. - Duke Energy today announced second quarter 2017 reported diluted EPS, prepared in accordance with Generally Accepted Accounting Principles (GAAP) of \$0.98, compared to \$0.74 for the second quarter of 2016. Duke Energy's second quarter 2017 adjusted diluted EPS was \$1.01, compared to \$1.07 for the second quarter of 2016.

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 the Piedmont Natural Gas merger and a prior year impairment charge related to International Energy, which was sold in December 2016.

Adjusted diluted EPS for the second quarter of 2017 was lower than the prior year, primarily due to the absence of earnings from International Energy, less favorable weather, and higher income tax expense primarily due to a prior year favorable tax resolution. Partially offsetting these drivers were higher retail revenues from increased pricing and riders and stronger retail volumes at Electric Utilities and Infrastructure.

Based upon the results through the second quarter, the company remains on track to achieve its 2017 adjusted diluted earnings guidance range of \$4.50 to \$4.70 per share.

"We continue to execute our company's strategy to build a smarter energy future as we invest in infrastructure our customers value and deliver sustainable growth," said Lynn Good, Duke Energy chairman, president and CEO. "Our second quarter results reflect strong execution across our businesses, and we remain on track to deliver within our full-year guidance range for 2017.

"Advancing public policy solutions to enable our strategy remains a priority. Late last month, House Bill 589, Competitive Energy Solutions for North Carolina, became law. The act outlines a thoughtful, market-driven approach to renewable energy. It is consistent with our

commitment to deliver reliable, affordable and cleaner energy to our customers and provide timely investment recovery for our investors.”

Business segment results

In addition to the following summary of second quarter 2017 business segment performance, comprehensive tables with detailed earnings per share drivers for the quarter and the year-to-date, compared to prior year, are provided on pages 18 and 19.

The discussion below of the second quarter results includes both GAAP segment income and adjusted segment income, which is a non-GAAP financial measure. The tables on pages 8 through 11 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. Prior periods have been recast to conform to the current segment structure.

Electric Utilities and Infrastructure

On a reported and adjusted basis, Electric Utilities and Infrastructure recognized second quarter 2017 segment income of \$729 million, compared to \$704 million in the second quarter of 2016, an increase of \$0.03 per share, excluding share dilution of \$0.01 per share.

Higher quarterly results at Electric Utilities and Infrastructure were primarily driven by increased pricing and riders (+\$0.05 per share) and higher retail volumes (+\$0.03 per share). These favorable drivers were partially offset by less favorable weather (-\$0.05 per share).

Gas Utilities and Infrastructure

On a reported and adjusted basis, Gas Utilities and Infrastructure recognized second quarter segment income of \$27 million, compared to \$16 million in the second quarter of 2016, an increase of \$0.02 per share.

Higher quarterly results at Gas Utilities and Infrastructure were driven by higher earnings from midstream pipeline investments (+\$0.02 per share).

Commercial Renewables

On a reported and adjusted basis, Commercial Renewables recognized second quarter 2017 segment income of \$26 million, compared to \$11 million in the second quarter of 2016, an increase of \$0.02 per share.

Higher earnings from improved wind resources and new projects brought on-line in late 2016 (+\$0.03 per share) were partially offset by lower solar investment tax credits (ITCs) in the current year (-\$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 including NMC, an equity method investment.

On a reported basis, Other recognized second quarter 2017 net expense of \$94 million, compared to net expense of \$107 million in the second quarter of 2016. In addition to the drivers outlined below, quarterly results were impacted by lower costs to achieve the Piedmont merger. These charges were treated as special items and therefore excluded from adjusted earnings.

On an adjusted basis, Other recognized second quarter 2017 adjusted net expense of \$75 million, compared to adjusted net expense of \$23 million in the second quarter of 2016, a decrease of \$0.07 per share. Lower quarterly results at Other were driven by higher income tax expense primarily due to a prior year favorable tax resolution (-\$0.05 per share), and higher interest expense at the holding company, primarily resulting from the Piedmont Natural Gas acquisition financing (-\$0.03 per share).

Duke Energy's consolidated reported effective tax rate for the second quarter of 2017 was 32.1 percent, compared to 28.8 percent in the second quarter of 2016. The consolidated adjusted effective tax rate for second quarter 2017 was 32.3 percent, compared to 31.4 percent in 2016. Adjusted effective tax rate is a non-GAAP financial measure. The tables on page 12 present a reconciliation of the GAAP reported effective tax rate to the adjusted effective tax rate.

Discontinued Operations

Duke Energy's second quarter 2016 Loss from Discontinued Operations included an impairment charge related to certain assets in Central America, partially offset by the operating results of the International Disposal Group. The operating results of \$31 million were included in adjusted earnings.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today to discuss the second quarter 2017 financial results 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 877-856-1958 in the United States or 719-325-4776 outside the United States. The confirmation code is 7921662. 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, Aug. 13, 2017, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code 7921662. 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 table presents a reconciliation of GAAP reported to adjusted diluted EPS for second quarter 2017 and 2016 financial results:

(In millions, except per-share amounts)	After-Tax Amount	2Q 2017 EPS	2Q 2016 EPS
Diluted EPS, as reported		\$ 0.98	\$ 0.74
Adjustments to reported EPS:			
Second Quarter 2017			
Costs to achieve Piedmont merger	\$ 19	0.03	
Second Quarter 2016			
Costs to achieve mergers	69		0.10
Cost savings initiatives	15		0.02
Discontinued operations ^(a)	146		0.21
Total adjustments		\$ 0.03	\$ 0.33
Diluted EPS, adjusted		\$ 1.01	\$ 1.07

(a) Includes an after-tax impairment charge of \$145 million related to certain assets in Central America that were sold in 2016. Represents GAAP reported Loss from Discontinued Operations less the International Disposal Group operating results, which are included in adjusted earnings.

Non-GAAP financial measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS.

Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items represent certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation (GAAP Reported Earnings) and Diluted EPS Attributable to Duke Energy Corporation common stockholders (GAAP Reported EPS), respectively.

Special items included in the periods presented include the following items which management believes do not reflect ongoing costs:

- Costs to achieve mergers represent charges that result from strategic acquisitions.

- Cost savings initiatives represent severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.

Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

Headquartered in Charlotte, N.C., Duke Energy is one of the largest energy holding companies in the United States. Its Electric Utilities and Infrastructure business unit serves approximately 7.5 million customers located in six states in the Southeast and Midwest. The company's Gas Utilities and Infrastructure business unit distributes natural gas to approximately 1.6 million customers in the Carolinas, Ohio, Kentucky and Tennessee. Its Commercial Renewables business unit operates a growing renewable energy portfolio across the United States.

Duke Energy is a Fortune 125 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 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, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; the extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; the ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; the costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; costs and effects of legal and administrative proceedings, settlements, investigations and claims; industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies; federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy's service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; advancements in technology; additional competition in electric and gas markets and continued industry consolidation; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; the ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; the ability to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; operational

interruptions to our gas distribution and transmission activities; the availability of adequate interstate pipeline transportation capacity and natural gas supply; the impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, and other catastrophic events such as fires, explosions, pandemic health events or other similar occurrences; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third party service providers; the timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; the results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations and general economic conditions; the credit ratings may be different from what the company and its subsidiaries expect; declines in the market prices of equity and fixed income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans, and nuclear decommissioning trust funds; construction and development risks associated with the completion of Duke Energy and its subsidiaries' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner or at all; changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; the ability to control operation and maintenance costs; the level of creditworthiness of counterparties to transactions; employee workforce factors, including the potential inability to attract and retain key personnel; the ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; substantial revision to the U.S. tax code, such as changes to the corporate tax rate or a material change in the deductibility of interest; the impact of potential goodwill impairments; the ability to successfully complete future merger, acquisition or divestiture plans; the ability to successfully integrate the natural gas businesses following the acquisition of Piedmont Natural Gas Company, Inc. and realize anticipated benefits; and the ability to implement our business strategy.

Additional risks and uncertainties are identified and discussed in Duke Energy's and its subsidiaries' reports filed with the SEC and available at the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made; Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

	Reported Earnings	Special Item	Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger			
SEGMENT INCOME					
Electric Utilities and Infrastructure	\$ 729	\$ —	\$ —	\$ —	\$ 729
Gas Utilities and Infrastructure	27	—	—	—	27
Commercial Renewables	26	—	—	—	26
Total Reportable Segment Income	782	—	—	—	782
Other	(94)	19 A	—	19	(75)
Discontinued Operations	(2)	—	2 B	2	—
Net Income Attributable to Duke Energy Corporation	\$ 686	\$ 19	\$ 2	\$ 21	\$ 707
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.98	\$ 0.03	\$ —	\$ 0.03	\$ 1.01

A - Net of \$11 million tax benefit. \$30 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

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

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

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

	Reported Earnings	Special Item	Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Piedmont Merger			
SEGMENT INCOME					
Electric Utilities and Infrastructure	\$ 1,364	\$ —	\$ —	\$ —	\$ 1,364
Gas Utilities and Infrastructure	160	—	—	—	160
Commercial Renewables	51	—	—	—	51
Total Reportable Segment Income	1,575	—	—	—	1,575
Other	(171)	29 A	—	29	(142)
Discontinued Operations	(2)	—	2 B	2	—
Net Income Attributable to Duke Energy Corporation	\$ 1,402	\$ 29	\$ 2	\$ 31	\$ 1,433
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 2.00	\$ 0.05	\$ —	\$ 0.05	\$ 2.05

A - Net of \$17 million tax benefit. \$45 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

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

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended June 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	International Energy Operations			
SEGMENT INCOME							
Electric Utilities and Infrastructure	\$ 704	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 704
Gas Utilities and Infrastructure	16	—	—	—	—	—	16
Commercial Renewables	11	—	—	—	—	—	11
Total Reportable Segment Income	731	—	—	—	—	—	731
International Energy	—	—	—	31 C	—	31	31
Other	(107)	69 A	15 B	—	—	84	(23)
Discontinued Operations	(115)	—	—	(31) C	146 D	115	—
Net Income Attributable to Duke Energy Corporation	\$ 509	\$ 69	\$ 15	\$ —	\$ 146	\$ 230	\$ 739
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.74	\$ 0.10	\$ 0.02	\$ —	\$ 0.21	\$ 0.33	\$ 1.07

- A** - Net of \$42 million tax benefit. Includes \$28 million recorded within Operating Expenses and \$83 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 \$9 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.
- C** - Net of \$35 million tax expense. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.
- D** - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America.

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

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

	Reported Earnings	Special Items			Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Mergers	Cost Savings Initiatives	International Energy Operations			
SEGMENT INCOME							
Electric Utilities and Infrastructure	\$ 1,368	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,368
Gas Utilities and Infrastructure	48	—	—	—	—	—	48
Commercial Renewables	37	—	—	—	—	—	37
Total Reportable Segment Income	1,453	—	—	—	—	—	1,453
International Energy	—	—	—	148 C	—	148	148
Other	(255)	143 A	27 B	—	—	170	(85)
Discontinued Operations	5	—	—	(148) C	143 D	(5)	—
Net Income Attributable to Duke Energy Corporation	\$ 1,203	\$ 143	\$ 27	\$ —	\$ 143	\$ 313	\$ 1,516
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.74	\$ 0.21	\$ 0.04	\$ —	\$ 0.21	\$ 0.46	\$ 2.20

A - Net of \$88 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$47 million recorded within Operating Expenses and \$183 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of \$17 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

C - Includes \$4 million tax benefit. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

D - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 689 million

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

	Three Months Ended June 30, 2017		Six Months Ended June 30, 2017	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 1,018		\$ 2,079	
Costs to Achieve Piedmont Merger	30		46	
Noncontrolling Interests	(3)		(4)	
Adjusted Pretax Income	<u>\$ 1,045</u>		<u>\$ 2,121</u>	
Reported Income Tax Expense From Continuing Operations	\$ 327	32.1%	\$ 671	32.3%
Costs to Achieve Piedmont Merger	11		17	
Adjusted Tax Expense	<u>\$ 338</u>	32.3% *	<u>\$ 688</u>	32.4% *

	Three Months Ended June 30, 2016		Six Months Ended June 30, 2016	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	\$ 877		\$ 1,706	
Costs to Achieve Mergers	111		231	
Cost Savings Initiatives	24		44	
International Energy Operations	66		144	
Noncontrolling Interests	—		(3)	
Adjusted Pretax Income	<u>\$ 1,078</u>		<u>\$ 2,122</u>	
Reported Income Tax Expense From Continuing Operations	\$ 253	28.8%	\$ 505	29.6%
Costs to Achieve Mergers	42		88	
Cost Savings Initiatives	9		17	
International Energy Operations	35		(4)	
Adjusted Tax Expense	<u>\$ 339</u>	31.4% *	<u>\$ 606</u>	28.6% *

*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.

June 2017
QUARTERLY HIGHLIGHTS
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
<i>(In millions, except per-share amounts and where noted)</i>	2017	2016	2017	2016
Earnings Per Share - Basic and Diluted				
Income from continuing operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ 0.98	\$ 0.90	\$ 2.00	\$ 1.73
Diluted	\$ 0.98	\$ 0.90	\$ 2.00	\$ 1.73
(Loss) Income from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ —	\$ (0.16)	\$ —	\$ 0.01
Diluted	\$ —	\$ (0.16)	\$ —	\$ 0.01
Net income attributable to Duke Energy Corporation common stockholders				
Basic	\$ 0.98	\$ 0.74	\$ 2.00	\$ 1.74
Diluted	\$ 0.98	\$ 0.74	\$ 2.00	\$ 1.74
Weighted average shares outstanding				
Basic	700	689	700	689
Diluted	700	690	700	689
INCOME (LOSS) BY BUSINESS SEGMENT				
Electric Utilities and Infrastructure	\$ 729	\$ 704	\$ 1,364	\$ 1,368
Gas Utilities and Infrastructure ^(a)	27	16	160	48
Commercial Renewables	26	11	51	37
Total Reportable Segment Income	782	731	1,575	1,453
Other ^{(b)(c)(d)}	(94)	(107)	(171)	(255)
(Loss) Income from Discontinued Operations ^(e)	(2)	(115)	(2)	5
Net Income Attributable to Duke Energy Corporation	\$ 686	\$ 509	\$ 1,402	\$ 1,203
CAPITALIZATION				
Total Common Equity (%)			44%	48%
Total Debt (%)			56%	52%
Total Debt			\$ 53,003	\$ 43,823
Book Value Per Share			\$ 58.99	\$ 57.98
Actual Shares Outstanding			700	689
CAPITAL AND INVESTMENT EXPENDITURES				
Electric Utilities and Infrastructure	\$ 1,571	\$ 1,517	\$ 3,445	\$ 2,956
Gas Utilities and Infrastructure	265	113	607	168
Commercial Renewables	10	142	69	309
Other ^(f)	37	53	97	96
Total Capital and Investment Expenditures	\$ 1,883	\$ 1,825	\$ 4,218	\$ 3,529

Note: Prior period amounts have been recast to conform to the current segment structure.

(a) Includes \$1 million and \$100 million of Piedmont's earnings for the three and six months ended June 30, 2017, respectively.

(b) Includes costs to achieve the Piedmont merger of \$19 million (net of tax of \$11 million) for the three months ended June 30, 2017, and \$29 million (net of tax of \$17 million) for the six months ended June 30, 2017.

(c) Includes costs to achieve mergers of \$69 million (net of tax of \$42 million) for the three months ended June 30, 2016, and \$143 million (net of tax of \$88 million) for the six months ended June 30, 2016.

(d) Includes a charge of \$15 million (net of tax of \$9 million) for the three months ended June 30, 2016, and \$27 million (net of tax of \$17 million) for the six months ended June 30, 2016, primarily consisting of severance expense related to cost savings initiatives.

(e) Includes an impairment charge related to certain assets in Central America, partially offset by the operating results of the International Disposal Group for the three and six months ended June 30, 2016.

(f) Includes capital expenditures of the International Disposal Group prior to the sale for the three and six months ended June 30, 2016.

June 2017
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
ELECTRIC UTILITIES AND INFRASTRUCTURE				
Operating Revenues	\$ 5,158	\$ 5,001	\$ 10,105	\$ 10,090
Operating Expenses				
Fuel used in electric generation and purchased power	1,549	1,509	3,003	3,086
Operation, maintenance and other	1,265	1,230	2,536	2,528
Depreciation and amortization	714	701	1,451	1,410
Property and other taxes	270	263	531	525
Impairment charges	2	1	2	3
Total operating expenses	<u>3,800</u>	<u>3,704</u>	<u>7,523</u>	<u>7,552</u>
Gains on Sales of Other Assets and Other, net	<u>1</u>	<u>1</u>	<u>4</u>	<u>2</u>
Operating Income	1,359	1,298	2,586	2,540
Other Income and Expenses	76	77	155	140
Interest Expense	305	272	620	542
Income Before Income Taxes	<u>1,130</u>	<u>1,103</u>	<u>2,121</u>	<u>2,138</u>
Income Tax Expense	<u>401</u>	<u>399</u>	<u>757</u>	<u>770</u>
Segment Income	<u>\$ 729</u>	<u>\$ 704</u>	<u>\$ 1,364</u>	<u>\$ 1,368</u>
GAS UTILITIES AND INFRASTRUCTURE				
Operating Revenues	\$ 301	\$ 99	\$ 971	\$ 269
Operating Expenses				
Cost of natural gas	76	9	334	58
Operation, maintenance and other	93	28	196	60
Depreciation and amortization	57	20	114	40
Property and other taxes	26	14	56	32
Total operating expenses	<u>252</u>	<u>71</u>	<u>702</u>	<u>190</u>
Operating Income	49	28	269	79
Other Income and Expenses	20	3	38	6
Interest Expense	26	6	52	13
Income Before Income Taxes	<u>43</u>	<u>25</u>	<u>255</u>	<u>72</u>
Income Tax Expense	<u>16</u>	<u>9</u>	<u>95</u>	<u>24</u>
Segment Income	<u>\$ 27</u>	<u>\$ 16</u>	<u>\$ 160</u>	<u>\$ 48</u>
COMMERCIAL RENEWABLES				
Operating Revenues	\$ 110	\$ 112	\$ 238	\$ 226
Operating Expenses				
Operation, maintenance and other	58	82	135	155
Depreciation and amortization	38	32	77	62
Property and other taxes	8	6	17	12
Total operating expenses	<u>104</u>	<u>120</u>	<u>229</u>	<u>229</u>
Gains on Sales of Other Assets and Other, net	<u>2</u>	<u>1</u>	<u>4</u>	<u>2</u>
Operating Income (Loss)	8	(7)	13	(1)
Other Income and Expenses	(1)	—	(2)	(2)
Interest Expense	23	12	42	23
Loss Before Income Taxes	<u>(16)</u>	<u>(19)</u>	<u>(31)</u>	<u>(26)</u>
Income Tax Benefit	<u>(42)</u>	<u>(29)</u>	<u>(81)</u>	<u>(62)</u>
Less: Loss Attributable to Noncontrolling Interests	<u>—</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
Segment Income	<u>\$ 26</u>	<u>\$ 11</u>	<u>\$ 51</u>	<u>\$ 37</u>
OTHER				
Operating Revenues	\$ 35	\$ 30	\$ 68	\$ 59
Operating Expenses				
Fuel used in electric generation and purchased power	14	12	29	23
Operation, maintenance and other	18	39	26	75
Depreciation and amortization	26	37	52	71

Property and other taxes	4	8	7	17
Impairment charges	7	—	7	2
Total operating expenses	<u>69</u>	<u>96</u>	<u>121</u>	<u>188</u>
Gains on Sales of Other Assets and Other, net	<u>6</u>	<u>6</u>	<u>11</u>	<u>11</u>
Operating Loss	(28)	(60)	(42)	(118)
Other Income and Expenses	28	19	49	36
Interest Expense	<u>139</u>	<u>191</u>	<u>273</u>	<u>396</u>
Loss Before Income Taxes	(139)	(232)	(266)	(478)
Income Tax Benefit	(48)	(126)	(100)	(227)
Less: Income Attributable to Noncontrolling Interests	<u>3</u>	<u>1</u>	<u>5</u>	<u>4</u>
Other Net Expense	\$ (94)	\$ (107)	\$ (171)	\$ (255)

Note: Prior period amounts have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except per-share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Operating Revenues				
Regulated electric	\$ 5,118	\$ 4,965	\$ 10,031	\$ 10,018
Regulated natural gas	275	97	921	266
Nonregulated electric and other	162	151	332	306
Total operating revenues	5,555	5,213	11,284	10,590
Operating Expenses				
Fuel used in electric generation and purchased power	1,541	1,521	2,990	3,109
Cost of natural gas	76	9	334	58
Operation, maintenance and other	1,407	1,351	2,840	2,767
Depreciation and amortization	835	790	1,694	1,583
Property and other taxes	307	290	611	585
Impairment charges	9	1	9	4
Total operating expenses	4,175	3,962	8,478	8,106
Gains on Sales of Other Assets and Other, net	7	8	18	15
Operating Income	1,387	1,259	2,824	2,499
Other Income and Expenses				
Equity in earnings of unconsolidated affiliates	36	15	65	23
Other income and expenses, net	81	81	167	151
Total other income and expenses	117	96	232	174
Interest Expense	486	478	977	967
Income From Continuing Operations Before Income Taxes	1,018	877	2,079	1,706
Income Tax Expense from Continuing Operations	327	253	671	505
Income From Continuing Operations	691	624	1,408	1,201
(Loss) Income From Discontinued Operations, net of tax	(2)	(112)	(2)	10
Net Income	689	512	1,406	1,211
Less: Net Income Attributable to Noncontrolling Interests	3	3	4	8
Net Income Attributable to Duke Energy Corporation	\$ 686	\$ 509	\$ 1,402	\$ 1,203

Earnings Per Share - Basic and Diluted

Income from continuing operations attributable to Duke Energy Corporation common stockholders

Basic	\$ 0.98	\$ 0.90	\$ 2.00	\$ 1.73
Diluted	\$ 0.98	\$ 0.90	\$ 2.00	\$ 1.73

(Loss) Income from discontinued operations attributable to Duke Energy Corporation common stockholders

Basic	\$ —	\$ (0.16)	\$ —	\$ 0.01
Diluted	\$ —	\$ (0.16)	\$ —	\$ 0.01

Net income attributable to Duke Energy Corporation common stockholders

Basic	\$ 0.98	\$ 0.74	\$ 2.00	\$ 1.74
Diluted	\$ 0.98	\$ 0.74	\$ 2.00	\$ 1.74

Weighted average shares outstanding

Basic	700	689	700	689
Diluted	700	690	700	689

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

(in millions)	June 30, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 298	\$ 392
Receivables (net of allowance for doubtful accounts of \$13 at 2017 and \$14 at 2016)	498	751
Receivables of VIEs (net of allowance for doubtful accounts of \$56 at 2017 and \$54 at 2016)	1,880	1,893
Inventory	3,369	3,522
Regulatory assets (includes \$52 at 2017 and \$50 at 2016 related to VIEs)	1,192	1,023
Other	436	458
Total current assets	7,673	8,039
Property, Plant and Equipment		
Cost	124,439	121,397
Accumulated depreciation and amortization	(40,522)	(39,406)
Generation facilities to be retired, net	487	529
Net property, plant and equipment	84,404	82,520
Other Noncurrent Assets		
Goodwill	19,425	19,425
Regulatory assets (includes \$1,121 at 2017 and \$1,142 at 2016 related to VIEs)	12,808	12,878
Nuclear decommissioning trust funds	6,601	6,205
Investments in equity method unconsolidated affiliates	1,267	925
Other	2,826	2,769
Total other noncurrent assets	42,927	42,202
Total Assets	\$ 135,004	\$ 132,761
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 2,177	\$ 2,994
Notes payable and commercial paper	3,488	2,487
Taxes accrued	432	384
Interest accrued	506	503
Current maturities of long-term debt (includes \$212 at 2017 and \$260 at 2016 related to VIEs)	3,472	2,319
Asset retirement obligations	397	411
Regulatory liabilities	286	409
Other	1,708	2,044
Total current liabilities	12,466	11,551
Long-Term Debt (includes \$4,018 at 2017 and \$3,587 at 2016 related to VIEs)	46,043	45,576
Other Noncurrent Liabilities		
Deferred income taxes	14,695	14,155
Asset retirement obligations	10,165	10,200
Regulatory liabilities	7,048	6,881
Accrued pension and other post-retirement benefit costs	1,108	1,111
Investment tax credits	534	493
Other	1,651	1,753
Total other noncurrent liabilities	35,201	34,593
Commitments and Contingencies		
Equity		
Common stock, \$0.001 par value, 2 billion shares authorized; 700 million shares outstanding at 2017 and 2016	1	1
Additional paid-in capital	38,758	38,741
Retained earnings	2,607	2,384
Accumulated other comprehensive loss	(82)	(93)
Total Duke Energy Corporation stockholders' equity	41,284	41,033
Noncontrolling interests	10	8
Total equity	41,294	41,041
Total Liabilities and Equity	\$ 135,004	\$ 132,761

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Six Months Ended June 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 1,406	\$ 1,211
Adjustments to reconcile net income to net cash provided by operating activities	1,350	2,014
Net cash provided by operating activities	<u>2,756</u>	<u>3,225</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	<u>(4,324)</u>	<u>(3,608)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	<u>1,474</u>	<u>202</u>
Changes in cash and cash equivalents included in assets held for sale	—	79
Net decrease in cash and cash equivalents	(94)	(102)
Cash and cash equivalents at the beginning of period	<u>392</u>	<u>383</u>
Cash and cash equivalents at end of period	<u>\$ 298</u>	<u>\$ 281</u>

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
June 2017 QTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	International Energy	Other	Discontinued Operations	Consolidated
2016 QTD Reported Earnings Per Share, Diluted	\$ 1.02	\$ 0.02	\$ 0.02	\$ —	\$ (0.16)	\$ (0.16)	\$ 0.74
Costs to Achieve Mergers	—	—	—	—	0.10	—	0.10
Cost Savings Initiatives	—	—	—	—	0.02	—	0.02
International Energy Operations	—	—	—	0.05	—	(0.05)	—
Discontinued Operations (a)	—	—	—	—	—	0.21	0.21
2016 QTD Adjusted Earnings Per Share, Diluted	\$ 1.02	\$ 0.02	\$ 0.02	\$ 0.05	\$ (0.04)	\$ —	\$ 1.07
Change in share count (b)	(0.01)	—	—	—	—	—	(0.01)
Weather	(0.05)	—	—	—	—	—	(0.05)
Retail Volumes	0.03	—	—	—	—	—	0.03
Pricing and Riders (c)	0.05	—	—	—	—	—	0.05
Wholesale	—	—	—	—	—	—	—
Operations and maintenance, net of recoverables	0.01	—	—	—	—	—	0.01
Piedmont Natural Gas contribution	—	—	—	—	—	—	—
Midstream Gas Pipelines	—	0.02	—	—	—	—	0.02
Duke Energy Renewables (d)	—	—	0.02	—	—	—	0.02
National Methanol Company (NMC)	—	—	—	—	0.01	—	0.01
Interest Expense	(0.02)	—	—	—	(0.03)	—	(0.05)
Other (e)	—	—	—	—	—	—	—
Change in effective income tax rate (f)	0.01	—	—	0.02	(0.05)	—	(0.02)
Latin America, including foreign exchange rates	—	—	—	(0.07)	—	—	(0.07)
2017 QTD Adjusted Earnings Per Share, Diluted	\$ 1.04	\$ 0.04	\$ 0.04	\$ —	\$ (0.11)	\$ —	\$ 1.01
Costs to Achieve Piedmont Merger	—	—	—	—	(0.03)	—	(0.03)
2017 QTD Reported Earnings Per Share, Diluted	\$ 1.04	\$ 0.04	\$ 0.04	\$ —	\$ (0.14)	\$ —	\$ 0.98

Note 1: Prior period amounts have been recast to conform to the current segment structure. Results of NMC are included within Other.

Note 2: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except Duke Energy Renewables, which uses an effective rate.

(a) Represents an impairment charge related to certain assets in Central America that were sold in 2016.

(b) Due to the Q4 2016 share issuance used to partially fund the Piedmont acquisition. Weighted average diluted shares outstanding increased from 690 million shares to 700 million shares.

(c) Primarily due to the DEP South Carolina rate case, the generation base rate adjustment at DEF, and favorable energy efficiency riders.

(d) Primarily due to improved wind resources and new projects placed in service (+\$0.03), partially offset by lower solar ITCs in the current year (-\$0.01).

(e) Electric Utilities and Infrastructure is primarily due to higher AFUDC Equity (+\$0.02) offset by higher depreciation, amortization and other (-\$0.02).

(f) Other is driven by a prior year favorable tax resolution (-\$0.04).

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
June 2017 YTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	International Energy	Other	Discontinued Operations	Consolidated
2016 YTD Reported Earnings Per Share, Diluted	\$ 1.99	\$ 0.07	\$ 0.05	\$ —	\$ (0.37)	\$ —	\$ 1.74
Costs to Achieve Mergers	—	—	—	—	0.21	—	0.21
Cost Savings Initiatives	—	—	—	—	0.04	—	0.04
International Energy Operations	—	—	—	0.21	—	(0.21)	—
Discontinued Operations (a)	—	—	—	—	—	0.21	0.21
2016 YTD Adjusted Earnings Per Share, Diluted	\$ 1.99	\$ 0.07	\$ 0.05	\$ 0.21	\$ (0.12)	\$ —	\$ 2.20
Change in share count (b)	(0.03)	—	—	—	—	—	(0.03)
Weather	(0.19)	—	—	—	—	—	(0.19)
Retail Volumes	0.04	—	—	—	—	—	0.04
Pricing and Riders (c)	0.08	—	—	—	—	—	0.08
Wholesale	—	—	—	—	—	—	—
Operations and maintenance, net of recoverables (d)	0.09	—	—	—	—	—	0.09
Piedmont Natural Gas contribution	—	0.14	—	—	—	—	0.14
Midstream Gas Pipelines	—	0.02	—	—	—	—	0.02
Duke Energy Renewables (e)	—	—	0.02	—	—	—	0.02
National Methanol Company (NMC)	—	—	—	—	0.02	—	0.02
Interest Expense	(0.06)	—	—	—	(0.05)	—	(0.11)
Other (f)	0.04	—	—	—	0.02	—	0.06
Change in effective income tax rate (g)	(0.01)	—	—	(0.08)	(0.07)	—	(0.16)
Latin America, including foreign exchange rates	—	—	—	(0.13)	—	—	(0.13)
2017 YTD Adjusted Earnings Per Share, Diluted	\$ 1.95	\$ 0.23	\$ 0.07	\$ —	\$ (0.20)	\$ —	\$ 2.05
Cost to Achieve Piedmont Merger	—	—	—	—	(0.05)	—	(0.05)
2017 YTD Reported Earnings Per Share, Diluted	\$ 1.95	\$ 0.23	\$ 0.07	\$ —	\$ (0.25)	\$ —	\$ 2.00

Note 1: Prior period amounts have been recast to conform to the current segment structure. Results of NMC are included within Other.

Note 2: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except Duke Energy Renewables, which uses an effective rate.

(a) Represents an impairment charge related to certain assets in Central America that were sold in 2016.

(b) Due to the Q4 2016 share issuance used to partially fund the Piedmont acquisition. Weighted average diluted shares outstanding increased from 689 million shares to 700 million shares.

(c) Primarily due the DEP South Carolina rate case, the generation base rate adjustment at DEF, and favorable energy efficiency riders.

(d) Primarily due to ongoing cost control and lower storm restoration costs.

(e) Primarily due to improved wind resources and new projects placed in service (+\$0.03), partially offset by lower solar ITCs in the current year (-\$0.01).

(f) Electric Utilities and Infrastructure is primarily due to higher AFUDC equity (+\$0.05), partially offset by higher depreciation, amortization and other (-\$0.02).

(g) Other is driven by a prior year favorable tax resolution (-\$0.04).

Electric Utilities and Infrastructure
Quarterly Highlights
June 2017

	Three Months Ended June 30,				Six Months Ended June 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	18,061	17,685	2.1%	2.5%	38,126	39,347	(3.1%)	0.8%
General Service	18,774	18,673	0.5%	0.4%	36,323	36,523	(0.5%)	0.4%
Industrial	13,096	13,021	0.6%	0.7%	25,401	25,293	0.4%	0.7%
Other Energy Sales	141	145	(2.8%)		285	291	(2.1%)	
Unbilled Sales	1,397	2,125	(34.3%)	n/a	462	1,781	(74.1%)	n/a
Total Retail Sales	51,469	51,649	(0.3%)	1.2%	100,597	103,235	(2.6%)	0.6%
Wholesale and Other	9,949	10,536	(5.6%)		19,811	21,681	(8.6%)	
Total Consolidated Electric Sales - Electric Utilities and Infrastructure	61,418	62,185	(1.2%)		120,408	124,916	(3.6%)	
Average Number of Customers (Electric)								
Residential	6,523,982	6,438,062	1.3%		6,517,331	6,431,744	1.3%	
General Service	972,127	961,364	1.1%		970,512	959,423	1.2%	
Industrial	17,730	17,864	(0.8%)		17,739	17,900	(0.9%)	
Other Energy Sales	23,298	23,099	0.9%		23,251	23,106	0.6%	
Total Retail Customers	7,537,137	7,440,389	1.3%		7,528,833	7,432,173	1.3%	
Wholesale and Other	58	65	(10.8%)		59	64	(7.8%)	
Total Average Number of Customers - Electric Utilities and Infrastructure	7,537,195	7,440,454	1.3%		7,528,892	7,432,237	1.3%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	18,257	15,768	15.8%		35,196	33,702	4.4%	
Nuclear	18,158	18,609	(2.4%)		35,899	36,608	(1.9%)	
Hydro	628	324	93.8%		829	1,371	(39.5%)	
Oil and Natural Gas	14,364	14,784	(2.8%)		28,595	30,867	(7.4%)	
Renewable Energy	128	45	184.4%		203	98	107.1%	
Total Generation (4)	51,535	49,530	4.0%		100,722	102,646	(1.9%)	
Purchased Power and Net Interchange (5)	13,146	16,139	(18.5%)		25,714	28,652	(10.3%)	
Total Sources of Energy	64,681	65,669	(1.5%)		126,436	131,298	(3.7%)	
Less: Line Loss and Other	3,263	3,484	(6.3%)		6,028	6,382	(5.5%)	
Total GWh Sources	61,418	62,185	(1.2%)		120,408	124,916	(3.6%)	
Owned MW Capacity (3)								
Summer					49,387	49,666		
Winter					53,091	52,837		
Nuclear Capacity Factor (%) (6)								
					93	96		

(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
June 2017

	Three Months Ended June 30,			Six Months Ended June 30,				
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	5,841	5,671	3.0%		12,712	13,251	(4.1%)	
General Service	7,005	6,934	1.0%		13,532	13,598	(0.5%)	
Industrial	5,572	5,545	0.5%		10,634	10,623	0.1%	
Other Energy Sales	75	76	(1.3%)		151	152	(0.7%)	
Unbilled Sales	200	685	(70.8%)		(32)	690	(104.6%)	
Total Retail Sales	18,693	18,911	(1.2%)	1.0%	36,997	38,314	(3.4%)	0.4%
Wholesale and Other	2,550	1,846	38.1%		5,027	4,068	23.6%	
Total Consolidated Electric Sales - Duke Energy Carolinas	21,243	20,757	2.3%		42,024	42,382	(0.8%)	
Average Number of Customers								
Residential	2,176,676	2,143,608	1.5%		2,173,011	2,141,071	1.5%	
General Service	353,269	348,878	1.3%		352,521	348,103	1.3%	
Industrial	6,239	6,301	(1.0%)		6,245	6,317	(1.1%)	
Other Energy Sales	15,365	15,153	1.4%		15,331	15,143	1.2%	
Total Retail Customers	2,551,549	2,513,940	1.5%		2,547,108	2,510,634	1.5%	
Wholesale and Other	25	25	—%		25	24	4.2%	
Total Average Number of Customers - Duke Energy Carolinas	2,551,574	2,513,965	1.5%		2,547,133	2,510,658	1.5%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	6,906	5,082	35.9%		12,492	10,861	17.2%	
Nuclear	11,027	10,809	2.0%		22,063	21,802	1.2%	
Hydro	384	112	242.9%		437	837	(47.8%)	
Oil and Natural Gas	2,366	2,691	(12.1%)		5,060	5,677	(10.9%)	
Renewable Energy	41	4	925.0%		50	7	614.3%	
Total Generation (4)	20,724	18,698	10.8%		40,102	38,984	2.9%	
Purchased Power and Net Interchange (5)	1,816	3,448	(47.3%)		4,299	6,067	(29.1%)	
Total Sources of Energy	22,540	22,146	1.8%		44,401	45,051	(1.4%)	
Less: Line Loss and Other	1,297	1,389	(6.6%)		2,377	2,669	(10.9%)	
Total GWh Sources	21,243	20,757	2.3%		42,024	42,382	(0.8%)	
Owned MW Capacity (3)								
Summer					19,968	19,678		
Winter					20,425	20,383		
Nuclear Capacity Factor (%) (6)								
					95	96		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	131	200	(34.5%)		1,422	1,861	(23.6%)	
Cooling Degree Days	524	570	(8.1%)		534	589	(9.3%)	
Variance from Normal								
Heating Degree Days	(40.5%)	(9.5%)	n/a		(27.7%)	(6.3%)	n/a	
Cooling Degree Days	6.3%	17.3%	n/a		7.2%	19.6%	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 Electric Utilities and Infrastructure Information
June 2017

	Three Months Ended June 30,				Six Months Ended June 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	3,705	3,597	3.0%		8,338	8,597	(3.0%)	
General Service	3,723	3,680	1.2%		7,272	7,340	(0.9%)	
Industrial	2,602	2,547	2.2%		5,091	4,986	2.1%	
Other Energy Sales	20	22	(9.1%)		41	46	(10.9%)	
Unbilled Sales	448	345	29.9%		(52)	210	(124.8%)	
Total Retail Sales	10,498	10,191	3.0%	2.5%	20,690	21,179	(2.3%)	0.8%
Wholesale and Other	5,064	6,638	(23.7%)		10,509	12,799	(17.9%)	
Total Consolidated Electric Sales - Duke Energy Progress	15,562	16,829	(7.5%)		31,199	33,978	(8.2%)	
Average Number of Customers								
Residential	1,307,337	1,289,306	1.4%		1,304,901	1,287,593	1.3%	
General Service	231,713	228,717	1.3%		231,059	228,120	1.3%	
Industrial	4,132	4,137	(0.1%)		4,130	4,148	(0.4%)	
Other Energy Sales	1,456	1,542	(5.6%)		1,459	1,571	(7.1%)	
Total Retail Customers	1,544,638	1,523,702	1.4%		1,541,549	1,521,432	1.3%	
Wholesale and Other	14	15	(6.7%)		14	15	(6.7%)	
Total Average Number of Customers - Duke Energy Progress	1,544,652	1,523,717	1.4%		1,541,563	1,521,447	1.3%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	1,593	2,328	(31.6%)		3,237	4,435	(27.0%)	
Nuclear	7,131	7,800	(8.6%)		13,836	14,806	(6.6%)	
Hydro	198	125	58.4%		301	378	(20.4%)	
Oil and Natural Gas	4,876	5,623	(13.3%)		10,712	12,095	(11.4%)	
Renewable Energy	72	41	75.6%		134	91	47.3%	
Total Generation (4)	13,870	15,917	(12.9%)		28,220	31,805	(11.3%)	
Purchased Power and Net Interchange (5)	2,162	1,497	44.4%		3,986	3,262	22.2%	
Total Sources of Energy	16,032	17,414	(7.9%)		32,206	35,067	(8.2%)	
Less: Line Loss and Other	470	585	(19.7%)		1,007	1,089	(7.5%)	
Total GWh Sources	15,562	16,829	(7.5%)		31,199	33,978	(8.2%)	
Owned MW Capacity (3)								
Summer					12,777	12,935		
Winter					13,967	14,034		
Nuclear Capacity Factor (%) (6)								
					90	96		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	83	179	(53.6%)		1,286	1,693	(24.0%)	
Cooling Degree Days	647	576	12.3%		657	612	7.4%	
Variance from Normal								
Heating Degree Days	(55.7%)	(5.3%)	n/a		(28.7%)	(6.9%)	n/a	
Cooling Degree Days	21.1%	8.7%	n/a		20.8%	13.3%	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
June 2017

	Three Months Ended June 30,				Six Months Ended June 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	4,944	4,872	1.5%		8,768	9,045	(3.1%)	
General Service	3,803	3,820	(0.4%)		7,057	7,061	(0.1%)	
Industrial	787	812	(3.1%)		1,542	1,564	(1.4%)	
Other Energy Sales	6	6	—%		12	12	—%	
Unbilled Sales	497	669	(25.7%)		653	658	(0.8%)	
Total Retail Sales	10,037	10,179	(1.4%)	0.9%	18,032	18,340	(1.7%)	1.9%
Wholesale and Other	703	467	50.5%		1,013	762	32.9%	
Total Electric Sales - Duke Energy Florida	10,740	10,646	0.9%		19,045	19,102	(0.3%)	
Average Number of Customers								
Residential	1,569,855	1,546,606	1.5%		1,566,947	1,544,081	1.5%	
General Service	198,307	195,356	1.5%		197,854	195,032	1.5%	
Industrial	2,146	2,182	(1.6%)		2,151	2,192	(1.9%)	
Other Energy Sales	1,518	1,536	(1.2%)		1,521	1,536	(1.0%)	
Total Retail Customers	1,771,826	1,745,680	1.5%		1,768,483	1,742,841	1.5%	
Wholesale and Other	13	15	(13.3%)		14	15	(6.7%)	
Total Average Number of Customers - Duke Energy Florida	1,771,839	1,745,695	1.5%		1,768,497	1,742,856	1.5%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	2,835	2,331	21.6%		4,952	3,782	30.9%	
Oil and Natural Gas	6,664	5,638	18.2%		12,012	11,761	2.1%	
Renewable Energy	4	—	n/a		8	—	n/a	
Total Generation (4)	9,503	7,969	19.2%		16,972	15,543	9.2%	
Purchased Power and Net Interchange (5)	1,753	3,130	(44.0%)		3,049	4,639	(34.3%)	
Total Sources of Energy	11,256	11,099	1.4%		20,021	20,182	(0.8%)	
Less: Line Loss and Other	516	453	13.9%		976	1,090	(9.6%)	
Total GWh Sources	10,740	10,646	0.9%		19,045	19,102	(0.3%)	
Owned MW Capacity (3)								
Summer					9,225	8,848		
Winter					10,332	9,735		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1	—	—%		177	401	(55.9%)	
Cooling Degree Days	1,079	1,112	(3.0%)		1,352	1,311	3.1%	
Variance from Normal								
Heating Degree Days	(94.1%)	(100.0%)	n/a		(54.8%)	1.1%	n/a	
Cooling Degree Days	4.5%	8.0%	n/a		11.2%	7.9%	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 Electric Utilities and Infrastructure Information
June 2017

	Three Months Ended June 30,				Six Months Ended June 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	1,777	1,747	1.7%		4,030	4,067	(0.9%)	
General Service	2,267	2,278	(0.5%)		4,524	4,575	(1.1%)	
Industrial	1,464	1,457	0.5%		2,905	2,901	0.1%	
Other Energy Sales	27	28	(3.6%)		55	55	—%	
Unbilled Sales	132	212	(37.7%)		(69)	120	(157.5%)	
Total Retail Sales	5,667	5,722	(1.0%)	0.8%	11,445	11,718	(2.3%)	(0.2%)
Wholesale and Other	234	74	216.2%		515	185	178.4%	
Total Electric Sales - Duke Energy Ohio	5,901	5,796	1.8%		11,960	11,903	0.5%	
Average Number of Customers								
Residential	758,460	752,249	0.8%		758,962	752,718	0.8%	
General Service	87,787	87,543	0.3%		87,965	87,491	0.5%	
Industrial	2,499	2,517	(0.7%)		2,504	2,523	(0.8%)	
Other Energy Sales	3,302	3,254	1.5%		3,292	3,250	1.3%	
Total Retail Customers	852,048	845,563	0.8%		852,723	845,982	0.8%	
Wholesale and Other	1	1	—%		1	1	—%	
Total Average Number of Customers - Duke Energy Ohio	852,049	845,564	0.8%		852,724	845,983	0.8%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	1,023	536	90.9%		2,226	1,464	52.0%	
Oil and Natural Gas	6	10	(40.0%)		7	11	(36.4%)	
Total Generation (4)	1,029	546	88.5%		2,233	1,475	51.4%	
Purchased Power and Net Interchange (5)	5,446	5,931	(8.2%)		10,912	11,486	(5.0%)	
Total Sources of Energy	6,475	6,477	—%		13,145	12,961	1.4%	
Less: Line Loss and Other	574	681	(15.7%)		1,185	1,058	12.0%	
Total GWh Sources	5,901	5,796	1.8%		11,960	11,903	0.5%	
Owned MW Capacity (3)								
Summer					1,076	1,062		
Winter					1,164	1,164		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	313	475	(34.1%)		2,357	2,824	(16.5%)	
Cooling Degree Days	332	372	(10.8%)		333	372	(10.5%)	
Variance from Normal								
Heating Degree Days	(30.4%)	5.8%	n/a		(22.1%)	(7.2%)	n/a	
Cooling Degree Days	1.2%	14.5%	n/a		0.5%	13.3%	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 Indiana
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
June 2017

	Three Months Ended June 30,				Six Months Ended June 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	1,794	1,798	(0.2%)		4,278	4,387	(2.5%)	
General Service	1,976	1,961	0.8%		3,938	3,949	(0.3%)	
Industrial	2,671	2,660	0.4%		5,229	5,219	0.2%	
Other Energy Sales	13	13	—%		26	26	—%	
Unbilled Sales	120	214	(43.9%)		(38)	103	(136.9%)	
Total Retail Sales	6,574	6,646	(1.1%)	0.6%	13,433	13,694	(1.8%)	(0.1%)
Wholesale and Other	1,398	1,511	(7.5%)		2,747	3,867	(29.0%)	
Total Electric Sales - Duke Energy Indiana	7,972	8,157	(2.3%)		16,180	17,551	(7.8%)	
Average Number of Customers								
Residential	711,654	706,293	0.8%		713,510	706,281	1.0%	
General Service	101,051	100,870	0.2%		101,103	100,677	0.4%	
Industrial	2,714	2,727	(0.5%)		2,709	2,720	(0.4%)	
Other Energy Sales	1,657	1,614	2.7%		1,648	1,606	2.6%	
Total Retail Customers	817,076	811,504	0.7%		818,970	811,284	0.9%	
Wholesale and Other	5	9	(44.4%)		5	9	(44.4%)	
Total Average Number of Customers - Duke Energy Indiana	817,081	811,513	0.7%		818,975	811,293	0.9%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	5,900	5,491	7.4%		12,289	13,360	(8.0%)	
Hydro	46	87	(47.1%)		91	156	(41.7%)	
Oil and Natural Gas	452	822	(45.0%)		804	1,323	(39.2%)	
Renewable Energy	11	—	n/a		11	—	n/a	
Total Generation (4)	6,409	6,400	0.1%		13,195	14,839	(11.1%)	
Purchased Power and Net Interchange (5)	1,969	2,133	(7.7%)		3,468	3,198	8.4%	
Total Sources of Energy	8,378	8,533	(1.8%)		16,663	18,037	(7.6%)	
Less: Line Loss and Other	406	376	8.0%		483	486	(0.6%)	
Total GWh Sources	7,972	8,157	(2.3%)		16,180	17,551	(7.8%)	
Owned MW Capacity (3)								
Summer					6,741	7,143		
Winter					7,183	7,521		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	372	522	(28.7%)		2,580	3,043	(15.2%)	
Cooling Degree Days	323	376	(14.1%)		323	376	(14.1%)	
Variance from Normal								
Heating Degree Days	(24.6%)	6.1%	n/a		(20.8%)	(7.0%)	n/a	
Cooling Degree Days	(2.2%)	14.6%	n/a		(3.1%)	13.4%	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
June 2017

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Inc.(Dec.)	2017	2016	% Inc.(Dec.)
Total Sales						
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms) (1) (2)	94,013,754	105,896,652	(11.2%)	227,290,541	261,343,238	(13.0%)
Duke Energy Midwest LDC throughput (Mcf)	12,204,767	12,714,127	(4.0%)	43,035,766	47,455,646	(9.3%)
Average Number of Customers - Piedmont Natural Gas (1)						
Residential	952,716	936,622	1.7%	953,800	938,346	1.6%
Commercial	101,138	100,211	0.9%	101,378	100,467	0.9%
Industrial	2,295	2,295	—%	2,317	2,298	0.8%
Power Generation	26	25	4.0%	26	25	4.0%
Total Average Number of Gas Customers - Piedmont Natural Gas	1,056,175	1,039,153	1.6%	1,057,521	1,041,136	1.6%
Average Number of Customers - Duke Energy Midwest						
Residential	481,716	477,813	0.8%	482,905	479,166	0.8%
Commercial	42,816	42,898	(0.2%)	44,077	44,061	—%
Industrial	1,564	1,501	(2.3%)	1,617	1,650	(2.0%)
Other	140	143	(2.1%)	140	143	(2.1%)
Total Average Number of Gas Customers - Duke Energy Midwest	526,236	522,455	0.7%	528,739	525,020	0.7%

(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 for 2016 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
June 2017

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Inc.(Dec.)	2017	2016	% Inc.(Dec.)
Renewable Plant Production, GWh	2,231	1,758	26.9%	4,516	3,818	18.3%
Net Proportional MW Capacity in Operation	n/a	n/a		2,908	1,978	47.0%

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **August 7, 2017**



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, North Carolina 28202
(Address of Principal Executive Offices, including Zip Code)

(704) 382-3853
(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company
 - If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
-
-

Item 8.01. Other Events.

On August 10, 2017, Duke Energy Corporation (the “Company”) consummated the issuance and sale of the securities described below pursuant to an underwriting agreement, dated August 7, 2017 (the “Underwriting Agreement”), with Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and MUFG Securities Americas Inc., as representatives of the several underwriters named therein (the “Underwriters”), pursuant to which the Company agreed to issue and sell to the Underwriters \$500,000,000 aggregate principal amount of the Company’s 2.40% Senior Notes due 2022, \$750,000,000 aggregate principal amount of the Company’s 3.15% Senior Notes due 2027 and \$500,000,000 aggregate principal amount of the Company’s 3.95% Senior Notes due 2047 (collectively, the “Securities”). The Securities were sold to the Underwriters at discounts to their principal amounts. The Securities were issued pursuant to an Indenture, dated as of June 3, 2008 (the “Indenture”), by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as amended and supplemented by various supplemental indentures thereto, including the Seventeenth Supplemental Indenture, dated as of August 10, 2017 (the “Supplemental Indenture”), between the Company and the Trustee. The disclosure in this Item 8.01 is qualified in its entirety by the provisions of the Indenture, the Supplemental Indenture, together with the forms of global notes evidencing the Securities are included therein, is filed as Exhibit 4.1 hereto, and the Underwriting Agreement, which is filed as Exhibit 99.1 hereto. Such exhibits are incorporated herein by reference. Also, in connection with the issuance and sale of the Securities, the Company is filing a legal opinion regarding the validity of the Securities as Exhibit 5.1 to this Form 8-K for the purpose of incorporating the opinion into the Company’s Registration Statement on Form S-3, as amended, No. 333-213765.

Item 9.01. Financial Statements and Exhibits.

- | | |
|------|---|
| (d) | Exhibits. |
| 4.1 | Seventeenth Supplemental Indenture, dated as of August 10, 2017, to the indenture, dated as of June 3, 2008, between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee |
| 5.1 | Opinion regarding validity of the Securities |
| 23.1 | Consent (included as part of Exhibit 5.1) |
| 99.1 | Underwriting Agreement, dated August 7, 2017, among the Company and Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and MUFG Securities Americas Inc., as representatives of the several underwriters named therein |

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: August 10, 2017

DUKE ENERGY CORPORATION

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

EXHIBIT INDEX

Exhibit	Description
4.1	Seventeenth Supplemental Indenture, dated as of August 10, 2017, to the indenture, dated as of June 3, 2008, between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee
5.1	Opinion regarding validity of the Securities
23.1	Consent (included as part of Exhibit 5.1)
99.1	Underwriting Agreement, dated August 7, 2017, among the Company and Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and MUFG Securities Americas Inc., as representatives of the several underwriters named therein

Exhibit 4.1

DUKE ENERGY CORPORATION

TO

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Trustee

Seventeenth Supplemental Indenture
Dated as of August 10, 2017

\$500,000,000 2.40% SENIOR NOTES DUE 2022
\$750,000,000 3.15% SENIOR NOTES DUE 2027
\$500,000,000 3.95% SENIOR NOTES DUE 2047

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3.15% SENIOR NOTES DUE 2027

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- Exhibit A — Form of 2.40% Senior Note Due 2022
- Exhibit B — Certificate of Authentication
- Exhibit C — Form of 3.15% Senior Note Due 2027
- Exhibit D — Certificate of Authentication
- Exhibit E — Form of 3.95% Senior Note Due 2047
- Exhibit F — Certificate of Authentication

(1) This Table of Contents does not constitute part of the Indenture or have any bearing upon the interpretation of any of its terms and provisions.

THIS SEVENTEENTH SUPPLEMENTAL INDENTURE is made as of the 10th day of August, 2017, by and among **DUKE ENERGY CORPORATION**, a Delaware corporation, having its principal office at 550 South Tryon Street, Charlotte, North Carolina 28202-1803 (the "Corporation"), and **The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.)**, a national banking association, as Trustee (herein called the "Trustee").

WITNESSETH:

WHEREAS, the Corporation has heretofore entered into an Indenture, dated as of June 3, 2008 (the "Original Indenture"), with The Bank of New York Mellon Trust Company, N.A., as Trustee;

WHEREAS, the Original Indenture is incorporated herein by this reference and the Original Indenture, as it may be amended and supplemented to the date hereof, including by this Seventeenth Supplemental Indenture, is herein called the "Indenture";

WHEREAS, under the Indenture, a new series of Securities may at any time be established in accordance with the provisions of the Indenture and the terms of such series may be described by a supplemental indenture executed by the Corporation and the Trustee;

WHEREAS, the Corporation hereby proposes to create under the Indenture three additional series of Securities;

WHEREAS, additional Securities of other series hereafter established, except as may be limited in the Indenture as at the time supplemented and modified, may be issued from time to time pursuant to the Indenture as at the time supplemented and modified; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Seventeenth Supplemental Indenture and to make it a valid and binding obligation of the Corporation have been done or performed.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

2.40% SENIOR NOTES DUE 2022

Section 1.01. **Establishment.** There is hereby established a new series of Securities to be issued under the Indenture, to be designated as the Corporation's 2.40% Senior Notes due 2022 (the "2022 Notes").

There are to be authenticated and delivered initially \$500,000,000 principal amount of the 2022 Notes, and no further 2022 Notes shall be authenticated and delivered except as provided by Section 304, 305, 306, 906 or 1106 of the Original Indenture and the last paragraph of Section 301 thereof. The 2022 Notes shall be issued in fully registered form without coupons.

The 2022 Notes shall be in substantially the form set out in Exhibit A hereto, and the form of the Trustee's Certificate of Authentication for the 2022 Notes shall be in substantially the form set forth in Exhibit B hereto.

Each 2022 Note shall be dated the date of authentication thereof and shall bear interest from the date of original issuance thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

Section 1.02. Definitions. The following defined terms used in this Article I shall, unless the context otherwise requires, have the meanings specified below for purposes of the 2022 Notes. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Original Indenture.

“Business Day” means any day other than a Saturday or Sunday that is neither a Legal Holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close, or a day on which the Corporate Trust Office is closed for business.

“Interest Payment Date” means each February 15 and August 15 of each year, commencing on February 15, 2018.

“Legal Holiday” means any day that is a legal holiday in New York, New York.

“Original Issue Date” means August 10, 2017.

“Regular Record Date” means, with respect to each Interest Payment Date, the close of business on the 15th calendar day prior to such Interest Payment Date (whether or not a Business Day).

“Stated Maturity” means August 15, 2022.

Section 1.03. Payment of Principal and Interest. The principal of the 2022 Notes shall be due at Stated Maturity (unless earlier redeemed). The unpaid principal amount of the 2022 Notes shall bear interest at the rate of 2.40% per annum until paid or duly provided for, such interest to accrue from August 10, 2017 or from the most recent Interest Payment Date to which interest has been paid or duly provided for. Interest shall be paid semi-annually in arrears on each Interest Payment Date to the Person or Persons in whose name the 2022 Notes are registered on the Regular Record Date for such Interest Payment Date; *provided* that interest payable at the Stated Maturity or on a Redemption Date as provided herein shall be paid to the Person to whom principal is payable. Any such interest that is not so punctually paid or duly provided for shall forthwith cease to be payable to the Holders on such Regular Record Date and may either be paid to the Person or Persons in whose name the 2022 Notes are registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee (“Special Record Date”), notice whereof shall be given to Holders of the 2022 Notes not less than ten (10) days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the 2022 Notes may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in the Original Indenture.

Payments of interest on the 2022 Notes shall include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for the 2022 Notes shall be computed and paid on the basis of a 360-day year consisting of twelve 30-day months. In the event that any date on which interest is payable on the 2022 Notes is not a Business Day, then payment of the interest payable on such date shall be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable.

Payment of principal of, premium, if any, and interest on the 2022 Notes shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on 2022 Notes represented by a Global Security shall be made by wire transfer of immediately available funds to the Holder of such Global Security, provided that, in the case of payments of principal and premium, if any, such Global Security is first surrendered to the Paying Agent. If any of the 2022 Notes are no longer represented by a Global Security, (i) payments of principal, premium, if any, and interest due at the Stated Maturity or earlier redemption of such 2022 Notes shall be made at the office of the Paying Agent upon surrender of such 2022 Notes to the Paying Agent and (ii) payments of interest shall be made, at the option of the Corporation, subject to such surrender where applicable, by (A) check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (B) wire transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least sixteen (16) days prior to the date of payment by the Person entitled thereto.

Section 1.04. Denominations. The 2022 Notes shall be issued in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof.

Section 1.05. Global Securities. The 2022 Notes shall initially be issued in the form of one or more Global Securities registered in the name of the Depository (which initially shall be The Depository Trust Company) or its nominee. Except under the limited circumstances described below, 2022 Notes represented by such Global Security or Global Securities shall not be exchangeable for, and shall not otherwise be issuable as, 2022 Notes in definitive form. The Global Securities described in this Article I may not be transferred except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or to a successor Depository or its nominee.

A Global Security representing the 2022 Notes shall be exchangeable for 2022 Notes registered in the names of persons other than the Depository or its nominee only if (i) the Depository notifies the Corporation that it is unwilling or unable to continue as a Depository for such Global Security and no successor Depository shall have been appointed by the Corporation within 90 days of receipt by the Corporation of such notification, or if at any time the Depository ceases to be a clearing agency registered under the Exchange Act at a time when the Depository is required to be so registered to act as such Depository and no successor Depository shall have been appointed by the Corporation within 90 days after it becomes aware of such cessation, (ii) an Event of Default has occurred and is continuing with respect to the 2022 Notes and beneficial owners of a majority in aggregate principal amount of the 2022 Notes represented by Global Securities advise the Depository to cease acting as Depository, or (iii) the Corporation in its sole discretion, and subject to the procedures of the Depository, determines that such Global Security shall be so exchangeable. Any Global Security that is exchangeable pursuant to the preceding sentence shall be exchangeable for 2022 Notes registered in such names as the Depository shall direct.

Section 1.06. Redemption. At any time before July 15, 2022 (the "2022 Par Call Date"), the 2022 Notes shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, on any date (a "Redemption Date"), at a redemption price equal to the greater of (i) 100% of the principal amount of the 2022 Notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the 2022 Notes matured on the 2022 Par Call Date (exclusive of interest accrued to such Redemption Date) discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 10 basis points, plus, in either case, accrued and unpaid interest on the principal amount of the 2022 Notes being redeemed to, but excluding, such Redemption Date.

At any time on or after the 2022 Par Call Date, the 2022 Notes shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, at a redemption price equal to 100% of the principal amount of the 2022 Notes being redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, such Redemption Date.

For purposes of the first paragraph of this Section 1.06, the following terms have the following meanings:

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the 2022 Notes to be redeemed (assuming, for this purpose, that the 2022 Notes matured on the 2022 Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such 2022 Notes.

“Comparable Treasury Price” means, with respect to any Redemption Date for the 2022 Notes, (1) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if fewer than four of such Reference Treasury Dealer Quotations are obtained, the average of all such Reference Treasury Dealer Quotations as determined by the Corporation.

“Quotation Agent” means a Reference Treasury Dealer appointed by the Corporation.

“Reference Treasury Dealer” means each of Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and a Primary Treasury Dealer (as defined below) selected by MUFG Securities Americas Inc., or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Corporation will substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the 2022 Notes, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date for the 2022 Notes, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate shall be calculated by the Corporation on the third Business Day preceding the Redemption Date.

The Corporation shall notify the Trustee of the redemption price with respect to any redemption of the 2022 Notes occurring before the 2022 Par Call Date promptly after the calculation thereof. The Trustee shall not be responsible for calculating said redemption price.

If less than all of the 2022 Notes are to be redeemed, the Trustee shall select the 2022 Notes or portions of 2022 Notes to be redeemed by such method as the Trustee shall deem fair and appropriate. The Trustee may select for redemption 2022 Notes and portions of 2022 Notes in amounts of \$2,000 or

any integral multiple of \$1,000 in excess thereof. As long as the 2022 Notes are represented by Global Securities, beneficial interests in such Notes shall be selected for redemption by the Depository in accordance with its standard procedures therefor.

The 2022 Notes shall not have a sinking fund.

Section 1.07. Paying Agent. The Trustee shall initially serve as Paying Agent with respect to the 2022 Notes, with the Place of Payment initially being the Corporate Trust Office.

ARTICLE II

3.15% SENIOR NOTES DUE 2027

Section 2.01. Establishment. There is hereby established a new series of Securities to be issued under the Indenture, to be designated as the Corporation's 3.15% Senior Notes due 2027 (the "2027 Notes").

There are to be authenticated and delivered initially \$750,000,000 principal amount of the 2027 Notes, and no further 2027 Notes shall be authenticated and delivered except as provided by Section 304, 305, 306, 906 or 1106 of the Original Indenture and the last paragraph of Section 301 thereof. The 2027 Notes shall be issued in fully registered form without coupons.

The 2027 Notes shall be in substantially the form set out in Exhibit C hereto, and the form of the Trustee's Certificate of Authentication for the 2027 Notes shall be in substantially the form set forth in Exhibit D hereto.

Each 2027 Note shall be dated the date of authentication thereof and shall bear interest from the date of original issuance thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

Section 2.02. Definitions. The following defined terms used in this Article II shall, unless the context otherwise requires, have the meanings specified below for purposes of the 2027 Notes. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Original Indenture.

"Business Day" means any day other than a Saturday or Sunday that is neither a Legal Holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close, or a day on which the Corporate Trust Office is closed for business.

"Interest Payment Date" means each February 15 and August 15 of each year, commencing on February 15, 2018.

"Legal Holiday" means any day that is a legal holiday in New York, New York.

"Original Issue Date" means August 10, 2017.

"Regular Record Date" means, with respect to each Interest Payment Date, the close of business on the 15th calendar day prior to such Interest Payment Date (whether or not a Business Day).

"Stated Maturity" means August 15, 2027.

Section 2.03. Payment of Principal and Interest. The principal of the 2027 Notes shall be due at Stated Maturity (unless earlier redeemed). The unpaid principal amount of the 2027 Notes shall bear interest at the rate of 3.15% per annum until paid or duly provided for, such interest to accrue from August 10, 2017 or from the most recent Interest Payment Date to which interest has been paid or duly provided for. Interest shall be paid semi-annually in arrears on each Interest Payment Date to the Person or Persons in whose name the 2027 Notes are registered on the Regular Record Date for such Interest Payment Date; *provided* that interest payable at the Stated Maturity or on a Redemption Date as provided herein shall be paid to the Person to whom principal is payable. Any such interest that is not so punctually paid or duly provided for shall forthwith cease to be payable to the Holders on such Regular Record Date and may either be paid to the Person or Persons in whose name the 2027 Notes are registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee ("Special Record Date"), notice whereof shall be given to Holders of the 2027 Notes not less than ten (10) days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the 2027 Notes may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in the Original Indenture.

Payments of interest on the 2027 Notes shall include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for the 2027 Notes shall be computed and paid on the basis of a 360-day year consisting of twelve 30-day months. In the event that any date on which interest is payable on the 2027 Notes is not a Business Day, then payment of the interest payable on such date shall be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable.

Payment of principal of, premium, if any, and interest on the 2027 Notes shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on 2027 Notes represented by a Global Security shall be made by wire transfer of immediately available funds to the Holder of such Global Security, provided that, in the case of payments of principal and premium, if any, such Global Security is first surrendered to the Paying Agent. If any of the 2027 Notes are no longer represented by a Global Security, (i) payments of principal, premium, if any, and interest due at the Stated Maturity or earlier redemption of such 2027 Notes shall be made at the office of the Paying Agent upon surrender of such 2027 Notes to the Paying Agent and (ii) payments of interest shall be made, at the option of the Corporation, subject to such surrender where applicable, by (A) check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (B) wire transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least sixteen (16) days prior to the date for payment by the Person entitled thereto.

Section 2.04. Denominations. The 2027 Notes shall be issued in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof.

Section 2.05. Global Securities. The 2027 Notes shall initially be issued in the form of one or more Global Securities registered in the name of the Depository (which initially shall be The Depository Trust Company) or its nominee. Except under the limited circumstances described below, 2027 Notes represented by such Global Security or Global Securities shall not be exchangeable for, and shall not otherwise be issuable as, 2027 Notes in definitive form. The Global Securities described in this Article II may not be transferred except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or to a successor Depository or its nominee.

A Global Security representing the 2027 Notes shall be exchangeable for 2027 Notes registered in the names of persons other than the Depository or its nominee only if (i) the Depository notifies the Corporation that it is unwilling or unable to continue as a Depository for such Global Security and no successor Depository shall have been appointed by the Corporation within 90 days of receipt by the Corporation of such notification, or if at any time the Depository ceases to be a clearing agency registered under the Exchange Act at a time when the Depository is required to be so registered to act as such Depository and no successor Depository shall have been appointed by the Corporation within 90 days after it becomes aware of such cessation, (ii) an Event of Default has occurred and is continuing with respect to the 2027 Notes and beneficial owners of a majority in aggregate principal amount of the 2027 Notes represented by Global Securities advise the Depository to cease acting as Depository, or (iii) the Corporation in its sole discretion, and subject to the procedures of the Depository, determines that such Global Security shall be so exchangeable. Any Global Security that is exchangeable pursuant to the preceding sentence shall be exchangeable for 2027 Notes registered in such names as the Depository shall direct.

Section 2.06. Redemption. At any time before May 15, 2027 (the “2027 Par Call Date”), the 2027 Notes shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, on any date (a “Redemption Date”), at a redemption price equal to the greater of (i) 100% of the principal amount of the 2027 Notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the 2027 Notes matured on the 2027 Par Call Date (exclusive of interest accrued to such Redemption Date) discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, plus, in either case, accrued and unpaid interest on the principal amount of the 2027 Notes being redeemed to, but excluding, such Redemption Date.

At any time on or after the 2027 Par Call Date, the 2027 Notes shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, at a redemption price equal to 100% of the principal amount of the 2027 Notes being redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, such Redemption Date.

For purposes of the first paragraph of this Section 2.06, the following terms have the following meanings:

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the 2027 Notes to be redeemed (assuming, for this purpose, that the 2027 Notes matured on the 2027 Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such 2027 Notes.

“Comparable Treasury Price” means, with respect to any Redemption Date for the 2027 Notes, (1) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if fewer than four of such Reference Treasury Dealer Quotations are obtained, the average of all such Reference Treasury Dealer Quotations as determined by the Corporation.

“Quotation Agent” means a Reference Treasury Dealer appointed by the Corporation.

“Reference Treasury Dealer” means each of Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and a Primary Treasury Dealer (as defined below) selected by MUFG Securities Americas Inc., or their respective

affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a "Primary Treasury Dealer"); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Corporation will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date for the 2027 Notes, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

"Treasury Rate" means, with respect to any Redemption Date for the 2027 Notes, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate shall be calculated by the Corporation on the third Business Day preceding the Redemption Date.

The Corporation shall notify the Trustee of the redemption price with respect to any redemption of the 2027 Notes occurring before the 2027 Par Call Date promptly after the calculation thereof. The Trustee shall not be responsible for calculating said redemption price.

If less than all of the 2027 Notes are to be redeemed, the Trustee shall select the 2027 Notes or portions of 2027 Notes to be redeemed by such method as the Trustee shall deem fair and appropriate. The Trustee may select for redemption 2027 Notes and portions of 2027 Notes in amounts of \$2,000 or any integral multiple of \$1,000 in excess thereof. As long as the 2027 Notes are represented by Global Securities, beneficial interests in such Notes shall be selected for redemption by the Depository in accordance with its standard procedures therefor.

The 2027 Notes shall not have a sinking fund.

Section 2.07. Paying Agent. The Trustee shall initially serve as Paying Agent with respect to the 2027 Notes, with the Place of Payment initially being the Corporate Trust Office.

ARTICLE III

3.95% SENIOR NOTES DUE 2047

Section 3.01. Establishment. There is hereby established a new series of Securities to be issued under the Indenture, to be designated as the Corporation's 3.95% Senior Notes due 2047 (the "2047 Notes").

There are to be authenticated and delivered initially \$500,000,000 principal amount of the 2047 Notes, and no further 2047 Notes shall be authenticated and delivered except as provided by Section 304, 305, 306, 906 or 1106 of the Original Indenture and the last paragraph of Section 301 thereof. The 2047 Notes shall be issued in fully registered form without coupons.

The 2047 Notes shall be in substantially the form set out in Exhibit E hereto, and the form of the Trustee's Certificate of Authentication for the 2047 Notes shall be in substantially the form set forth in Exhibit F hereto.

Each 2047 Note shall be dated the date of authentication thereof and shall bear interest from the date of original issuance thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

Section 3.02. Definitions. The following defined terms used in this Article III shall, unless the context otherwise requires, have the meanings specified below for purposes of the 2047 Notes. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Original Indenture.

“Business Day” means any day other than a Saturday or Sunday that is neither a Legal Holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close, or a day on which the Corporate Trust Office is closed for business.

“Interest Payment Date” means each February 15 and August 15 of each year, commencing on February 15, 2018.

“Legal Holiday” means any day that is a legal holiday in New York, New York.

“Original Issue Date” means August 10, 2017.

“Regular Record Date” means, with respect to each Interest Payment Date, the close of business on the 15th calendar day prior to such Interest Payment Date (whether or not a Business Day).

“Stated Maturity” means August 15, 2047.

Section 3.03. Payment of Principal and Interest. The principal of the 2047 Notes shall be due at Stated Maturity (unless earlier redeemed). The unpaid principal amount of the 2047 Notes shall bear interest at the rate of 3.95% per annum until paid or duly provided for, such interest to accrue from August 10, 2017 or from the most recent Interest Payment Date to which interest has been paid or duly provided for. Interest shall be paid semi-annually in arrears on each Interest Payment Date to the Person or Persons in whose name the 2047 Notes are registered on the Regular Record Date for such Interest Payment Date; *provided* that interest payable at the Stated Maturity or on a Redemption Date as provided herein shall be paid to the Person to whom principal is payable. Any such interest that is not so punctually paid or duly provided for shall forthwith cease to be payable to the Holders on such Regular Record Date and may either be paid to the Person or Persons in whose name the 2047 Notes are registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee (“Special Record Date”), notice whereof shall be given to Holders of the 2047 Notes not less than ten (10) days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the 2047 Notes may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in the Original Indenture.

Payments of interest on the 2047 Notes shall include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for the 2047 Notes shall be computed and paid on the basis of a 360-day year consisting of twelve 30-day months. In the event that any date on which interest is payable on the 2047 Notes is not a Business Day, then payment of the interest payable on such date shall be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable.

Payment of principal of, premium, if any, and interest on the 2047 Notes shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on 2047 Notes represented by a Global Security shall be made by wire transfer of immediately available funds to the Holder of such Global Security, provided that, in the case of payments of principal and premium, if any, such Global Security is first surrendered to the Paying Agent. If any of the 2047 Notes are no longer represented by a Global Security, (i) payments of principal, premium, if any, and interest due at the Stated Maturity or earlier redemption of such 2047 Notes shall be made at the office of the Paying Agent upon surrender of such 2047 Notes to the Paying Agent and (ii) payments of interest shall be made, at the option of the Corporation, subject to such surrender where applicable, by (A) check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (B) wire transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least sixteen (16) days prior to the date of payment by the Person entitled thereto.

Section 3.04. Denominations. The 2047 Notes shall be issued in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof.

Section 3.05. Global Securities. The 2047 Notes shall initially be issued in the form of one or more Global Securities registered in the name of the Depository (which initially shall be The Depository Trust Company) or its nominee. Except under the limited circumstances described below, 2047 Notes represented by such Global Security or Global Securities shall not be exchangeable for, and shall not otherwise be issuable as, 2047 Notes in definitive form. The Global Securities described in this Article III may not be transferred except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or to a successor Depository or its nominee.

A Global Security representing the 2047 Notes shall be exchangeable for 2047 Notes registered in the names of persons other than the Depository or its nominee only if (i) the Depository notifies the Corporation that it is unwilling or unable to continue as a Depository for such Global Security and no successor Depository shall have been appointed by the Corporation within 90 days of receipt by the Corporation of such notification, or if at any time the Depository ceases to be a clearing agency registered under the Exchange Act at a time when the Depository is required to be so registered to act as such Depository and no successor Depository shall have been appointed by the Corporation within 90 days after it becomes aware of such cessation, (ii) an Event of Default has occurred and is continuing with respect to the 2047 Notes and beneficial owners of a majority in aggregate principal amount of the 2047 Notes represented by Global Securities advise the Depository to cease acting as Depository, or (iii) the Corporation in its sole discretion, and subject to the procedures of the Depository, determines that such Global Security shall be so exchangeable. Any Global Security that is exchangeable pursuant to the preceding sentence shall be exchangeable for 2047 Notes registered in such names as the Depository shall direct.

Section 3.06. Redemption. At any time before February 15, 2047 (the "2047 Par Call Date"), the 2047 Notes shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, on any date (a "Redemption Date"), at a redemption price equal to the greater of (i) 100% of the principal amount of the 2047 Notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the 2047 Notes matured on the 2047 Par Call Date (exclusive of interest accrued to such Redemption Date) discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points, plus, in either case, accrued and unpaid interest on the principal amount of the 2047 Notes being redeemed to, but excluding, such Redemption Date.

At any time on or after the 2047 Par Call Date, the 2047 Notes shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, at a redemption price equal to 100% of the principal amount of the 2047 Notes being redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, such Redemption Date.

For purposes of the first paragraph of this Section 3.06, the following terms have the following meanings:

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the 2047 Notes to be redeemed (assuming, for this purpose, that the 2047 Notes matured on the 2047 Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such 2047 Notes.

“Comparable Treasury Price” means, with respect to any Redemption Date for the 2047 Notes, (1) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if fewer than four of such Reference Treasury Dealer Quotations are obtained, the average of all such Reference Treasury Dealer Quotations as determined by the Corporation.

“Quotation Agent” means a Reference Treasury Dealer appointed by the Corporation.

“Reference Treasury Dealer” means each of Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and a Primary Treasury Dealer (as defined below) selected by MUFG Securities Americas Inc., or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Corporation will substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the 2047 Notes, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date for the 2047 Notes, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate shall be calculated by the Corporation on the third Business Day preceding the Redemption Date.

The Corporation shall notify the Trustee of the redemption price with respect to any redemption of the 2047 Notes occurring before the 2047 Par Call Date promptly after the calculation thereof. The Trustee shall not be responsible for calculating said redemption price.

If less than all of the 2047 Notes are to be redeemed, the Trustee shall select the 2047 Notes or portions of 2047 Notes to be redeemed by such method as the Trustee shall deem fair and appropriate. The Trustee may select for redemption 2047 Notes and portions of 2047 Notes in amounts of \$2,000 or

any integral multiple of \$1,000 in excess thereof. As long as the 2047 Notes are represented by Global Securities, beneficial interests in such Notes shall be selected for redemption by the Depository in accordance with its standard procedures therefor.

The 2047 Notes shall not have a sinking fund.

Section 3.07. Paying Agent. The Trustee shall initially serve as Paying Agent with respect to the 2047 Notes, with the Place of Payment initially being the Corporate Trust Office.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Recitals by the Corporation. The recitals in this Seventeenth Supplemental Indenture are made by the Corporation only and not by the Trustee, and all of the provisions contained in the Original Indenture in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect of the 2022 Notes, the 2027 Notes, the 2047 Notes and this Seventeenth Supplemental Indenture as fully and with like effect as if set forth herein in full.

Section 4.02. Ratification and Incorporation of Original Indenture. As supplemented hereby, the Original Indenture is in all respects ratified and confirmed, and the Original Indenture and this Seventeenth Supplemental Indenture shall be read, taken and construed as one and the same instrument.

Section 4.03. Executed in Counterparts. This Seventeenth Supplemental Indenture may be executed in several counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, each party hereto has caused this instrument to be signed in its name and behalf by its duly authorized officer, all as of the day and year first above written.

Duke Energy Corporation

By: /s/ John L. Sullivan
Name: John L. Sullivan, III
Title: Assistant Treasurer

The Bank of New York Mellon Trust Company, N.A., as Trustee

By: /s/ Karen Yu
Name: Karen Yu
Title: Vice President

[Signature Page to Seventeenth Supplemental Indenture]

EXHIBIT A
FORM OF
2.40% SENIOR NOTE DUE 2022

No.

CUSIP No. 26441C AW5

DUKE ENERGY CORPORATION
2.40% SENIOR NOTE DUE 2022

Principal Amount: \$

Regular Record Date: Close of business on the 15th calendar day prior to the relevant Interest Payment Date (whether or not a Business Day)

Original Issue Date: August 10, 2017

Stated Maturity: August 15, 2022

Interest Payment Dates: Semi-annually on February 15 and August 15 of each year, commencing on February 15, 2018

Interest Rate: 2.40% per annum

Authorized Denomination: \$2,000 or any integral multiple of \$1,000 in excess thereof

Duke Energy Corporation, a Delaware corporation (the "Corporation", which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of DOLLARS (\$) on the Stated Maturity shown above and to pay interest thereon from the Original Issue Date shown above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on each Interest Payment Date as specified above, commencing on February 15, 2018 and on the Stated Maturity at the rate per annum shown above until the principal hereof is paid or made available for payment and at such rate on any overdue principal and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date (other than an Interest Payment Date that is the Stated Maturity or a Redemption Date) will, as provided in the Indenture, be paid to the Person in whose name this 2.40% Senior Note due 2022 (this "Security") is registered on the Regular Record Date as specified above next preceding such Interest Payment Date; *provided* that any interest payable at Stated Maturity or on a Redemption Date will be paid to the Person to whom principal is payable. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Securities shall be listed, and upon such notice as may be required by any such exchange, all as more fully provided in the Indenture.

Payments of interest on this Security will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Security shall be computed and paid on the basis of a

360-day year consisting of twelve 30-day months and will accrue from August 10, 2017 or from the most recent Interest Payment Date to which interest has been paid or duly provided for. In the event that any date on which interest is payable on this Security is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. "Business Day" means any day other than a Saturday or Sunday that is neither a Legal Holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close, or a day on which the Corporate Trust Office is closed for business. "Legal Holiday" means any day that is a legal holiday in New York, New York.

Payment of principal of, premium, if any, and interest on the Securities of this series shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on the Securities of this series represented by a Global Security shall be made by wire transfer of immediately available funds to the Holder of such Global Security, provided that, in the case of payments of principal and premium, if any, such Global Security is first surrendered to the Paying Agent. If any of the Securities of this series are no longer represented by a Global Security, (i) payments of principal, premium, if any, and interest due at the Stated Maturity or earlier redemption of such Securities shall be made at the office of the Paying Agent upon surrender of such Securities to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Corporation, subject to such surrender where applicable, by (A) check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (B) wire transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least sixteen (16) days prior to the date for payment by the Person entitled thereto.

At any time before July 15, 2022 (the "Par Call Date"), the Securities of this series shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, on any date (a "Redemption Date"), at a redemption price equal to the greater of (i) 100% of the principal amount of the Securities of this series being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if this Security matured on the Par Call Date (exclusive of interest accrued to such Redemption Date) discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 10 basis points, plus, in either case, accrued and unpaid interest on the principal amount being redeemed to, but excluding, such Redemption Date.

At any time on or after the Par Call Date, the Securities of this series shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, at a redemption price equal to 100% of the principal amount of the Securities of this series being redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, such Redemption Date.

For purposes of the second preceding paragraph, the following terms have the following meanings:

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Securities of this series to be redeemed (assuming, for this purpose, that this Security matured on the Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Securities of this series.

“Comparable Treasury Price” means, with respect to any Redemption Date for the Securities of this series, (1) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if fewer than four of such Reference Treasury Dealer Quotations are obtained, the average of all such Reference Treasury Dealer Quotations as determined by the Corporation.

“Quotation Agent” means a Reference Treasury Dealer appointed by the Corporation.

“Reference Treasury Dealer” means each of Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and a Primary Treasury Dealer (as defined below) selected by MUFG Securities Americas Inc., or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Corporation will substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the Securities of this series, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date for the Securities of this series, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate shall be calculated by the Corporation on the third Business Day preceding the Redemption Date.

The Corporation shall notify the Trustee of the redemption price with respect to any redemption of the Securities of this series occurring before the Par Call Date promptly after the calculation thereof. The Trustee shall not be responsible for calculating said redemption price.

Notice of any redemption by the Corporation will be mailed (or, as long as the Securities of this series are represented by one or more Global Securities, transmitted in accordance with the Depositary’s standard procedures therefor) at least 10 days but not more than 60 days before any Redemption Date to each Holder of Securities of this series to be redeemed. If Notice of a redemption is provided and funds are deposited as required, interest will cease to accrue on and after the Redemption Date on the Securities of this series or portions of Securities of this series called for redemption. In the event that any Redemption Date is not a Business Day, the Corporation will pay the redemption price on the next Business Day without any interest or other payment in respect of any such delay. If less than all the Securities of this series are to be redeemed at the option of the Corporation, the Trustee shall select, in such manner as it shall deem fair and appropriate, the Securities of this series to be redeemed in whole or in part. The Trustee may select for redemption Securities of this series and portions of the Securities of this series in amounts of \$2,000 or any integral multiple of \$1,000 in excess thereof. As long as the Securities of this series are represented by Global Securities, beneficial interests in such Securities shall be selected for redemption by the Depositary in accordance with its standard procedures therefor.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

The Securities of this series shall not have a sinking fund.

The Securities of this series shall constitute the direct unsecured and unsubordinated debt obligations of the Corporation and shall rank equally in priority with the Corporation's existing and future unsecured and unsubordinated indebtedness.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS SECURITY SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be duly executed.

Duke Energy Corporation

By: _____

Name:

Title:

A-5

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:

Authorized Signatory

(Reverse Side of Security)

This 2.40% Senior Note due 2022 is one of a duly authorized issue of Securities of the Corporation (the "Securities"), issued and issuable in one or more series under an Indenture, dated as of June 3, 2008, as supplemented (the "Indenture"), between the Corporation and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as Trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitation of rights, duties and immunities thereunder of the Corporation, the Trustee and the Holders of the Securities issued thereunder and of the terms upon which said Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof as 2.40% Senior Notes due 2022 initially in the aggregate principal amount of \$500,000,000. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture.

If an Event of Default with respect to the Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Corporation and the rights of the Holders of the Securities of all series affected under the Indenture at any time by the Corporation and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of all series affected thereby (voting as one class). The Indenture contains provisions permitting the Holders of not less than a majority in principal amount of the Outstanding Securities of all series with respect to which a default under the Indenture shall have occurred and be continuing (voting as one class), on behalf of the Holders of the Securities of all such series, to waive, with certain exceptions, such default under the Indenture and its consequences. The Indenture also permits the Holders of not less than a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Corporation with certain provisions of the Indenture affecting such series. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Corporation for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Corporation and the Security Registrar and duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of authorized denominations and of like tenor and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of the Securities of this series and for covenant defeasance at any time of certain covenants in the Indenture upon compliance with certain conditions set forth in the Indenture.

Prior to due presentment of this Security for registration of transfer, the Corporation, the Trustee and any agent of the Corporation or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Corporation, the Trustee nor any such agent shall be affected by notice to the contrary.

The Securities of this series are issuable only in registered form without coupons in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof. As provided in the Indenture and subject to the limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series of a different authorized denomination, as requested by the Holder surrendering the same upon surrender of the Security or Securities to be exchanged at the office or agency of the Corporation.

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

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common	UNIF GIFT MIN ACT -	_____ Custodian _____ (Cust) (Minor)
TEN ENT — as tenants by the entireties		
JT TEN — as joint tenants with rights of survivorship and not as tenants in common		under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto (please insert Social Security or other identifying number of assignee)

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE

the within Security and all rights thereunder, hereby irrevocably constituting and appointing _____ agent to transfer said Security on the books of the Corporation, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular without alteration or enlargement, or any change whatever.

Signature Guarantee: _____

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:

Authorized Signatory

B-1

EXHIBIT C
FORM OF
3.15% SENIOR NOTE DUE 2027

No.

CUSIP No. 26441C AX3

DUKE ENERGY CORPORATION
3.15% SENIOR NOTE DUE 2027

Principal Amount: \$

Regular Record Date: Close of business on the 15th calendar day prior to the relevant Interest Payment Date (whether or not a Business Day)

Original Issue Date: August 10, 2017

Stated Maturity: August 15, 2027

Interest Payment Dates: Semi-annually on February 15 and August 15 of each year, commencing on February 15, 2018

Interest Rate: 3.15% per annum

Authorized Denomination: \$2,000 or any integral multiple of \$1,000 in excess thereof

Duke Energy Corporation, a Delaware corporation (the "Corporation", which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of DOLLARS (\$) _____ on the Stated Maturity shown above and to pay interest thereon from the Original Issue Date shown above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on each Interest Payment Date as specified above, commencing on February 15, 2018 and on the Stated Maturity at the rate per annum shown above until the principal hereof is paid or made available for payment and at such rate on any overdue principal and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date (other than an Interest Payment Date that is the Stated Maturity or a Redemption Date) will, as provided in the Indenture, be paid to the Person in whose name this 3.15% Senior Note due 2027 (this "Security") is registered on the Regular Record Date as specified above next preceding such Interest Payment Date; *provided* that any interest payable at Stated Maturity or on a Redemption Date will be paid to the Person to whom principal is payable. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Securities shall be listed, and upon such notice as may be required by any such exchange, all as more fully provided in the Indenture.

Payments of interest on this Security will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Security shall be computed and paid on the basis of a

360-day year consisting of twelve 30-day months and will accrue from August 10, 2017 or from the most recent Interest Payment Date to which interest has been paid or duly provided for. In the event that any date on which interest is payable on this Security is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. "Business Day" means any day other than a Saturday or Sunday that is neither a Legal Holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close, or a day on which the Corporate Trust Office is closed for business. "Legal Holiday" means any day that is a legal holiday in New York, New York.

Payment of principal of, premium, if any, and interest on the Securities of this series shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on the Securities of this series represented by a Global Security shall be made by wire transfer of immediately available funds to the Holder of such Global Security, provided that, in the case of payments of principal and premium, if any, such Global Security is first surrendered to the Paying Agent. If any of the Securities of this series are no longer represented by a Global Security, (i) payments of principal, premium, if any, and interest due at the Stated Maturity or earlier redemption of such Securities shall be made at the office of the Paying Agent upon surrender of such Securities to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Corporation, subject to such surrender where applicable, by (A) check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (B) wire transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least sixteen (16) days prior to the date for payment by the Person entitled thereto.

At any time before May 15, 2027 (the "Par Call Date"), the Securities of this series shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, on any date (a "Redemption Date"), at a redemption price equal to the greater of (i) 100% of the principal amount of the Securities of this series being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if this Security matured on the Par Call Date (exclusive of interest accrued to such Redemption Date) discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, plus, in either case, accrued and unpaid interest on the principal amount being redeemed to, but excluding, such Redemption Date.

At any time on or after the Par Call Date, the Securities of this series shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, at a redemption price equal to 100% of the principal amount of the Securities of this series being redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, such Redemption Date.

For purposes of the second preceding paragraph, the following terms have the following meanings:

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Securities of this series to be redeemed (assuming, for this purpose, that this Security matured on the Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Securities of this series.

“Comparable Treasury Price” means, with respect to any Redemption Date for the Securities of this series, (1) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if fewer than four of such Reference Treasury Dealer Quotations are obtained, the average of all such Reference Treasury Dealer Quotations as determined by the Corporation.

“Quotation Agent” means a Reference Treasury Dealer appointed by the Corporation.

“Reference Treasury Dealer” means each of Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and a Primary Treasury Dealer (as defined below) selected by MUFG Securities Americas Inc., or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Corporation will substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the Securities of this series, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date for the Securities of this series, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate shall be calculated by the Corporation on the third Business Day preceding the Redemption Date.

The Corporation shall notify the Trustee of the redemption price with respect to any redemption of the Securities of this series occurring before the Par Call Date promptly after the calculation thereof. The Trustee shall not be responsible for calculating said redemption price.

Notice of any redemption by the Corporation will be mailed (or, as long as the Securities of this series are represented by one or more Global Securities, transmitted in accordance with the Depository’s standard procedures therefor) at least 10 days but not more than 60 days before any Redemption Date to each Holder of Securities of this series to be redeemed. If Notice of a redemption is provided and funds are deposited as required, interest will cease to accrue on and after the Redemption Date on the Securities of this series or portions of Securities of this series called for redemption. In the event that any Redemption Date is not a Business Day, the Corporation will pay the redemption price on the next Business Day without any interest or other payment in respect of any such delay. If less than all the Securities of this series are to be redeemed at the option of the Corporation, the Trustee shall select, in such manner as it shall deem fair and appropriate, the Securities of this series to be redeemed in whole or in part. The Trustee may select for redemption Securities of this series and portions of the Securities of this series in amounts of \$2,000 or any integral multiple of \$1,000 in excess thereof. As long as the Securities of this series are represented by Global Securities, beneficial interests in such Securities shall be selected for redemption by the Depository in accordance with its standard procedures therefor.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

The Securities of this series shall not have a sinking fund.

The Securities of this series shall constitute the direct unsecured and unsubordinated debt obligations of the Corporation and shall rank equally in priority with the Corporation's existing and future unsecured and unsubordinated indebtedness.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS SECURITY SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be duly executed.

Duke Energy Corporation

By: _____

Name:

Title:

C-5

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:

Authorized Signatory

C-6

(Reverse Side of Security)

This 3.15% Senior Note due 2027 is one of a duly authorized issue of Securities of the Corporation (the "Securities"), issued and issuable in one or more series under an Indenture, dated as of June 3, 2008, as supplemented (the "Indenture"), between the Corporation and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as Trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitation of rights, duties and immunities thereunder of the Corporation, the Trustee and the Holders of the Securities issued thereunder and of the terms upon which said Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof as 3.15% Senior Notes due 2027 initially in the aggregate principal amount of \$750,000,000. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture.

If an Event of Default with respect to the Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Corporation and the rights of the Holders of the Securities of all series affected under the Indenture at any time by the Corporation and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of all series affected thereby (voting as one class). The Indenture contains provisions permitting the Holders of not less than a majority in principal amount of the Outstanding Securities of all series with respect to which a default under the Indenture shall have occurred and be continuing (voting as one class), on behalf of the Holders of the Securities of all such series, to waive, with certain exceptions, such default under the Indenture and its consequences. The Indenture also permits the Holders of not less than a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Corporation with certain provisions of the Indenture affecting such series. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Corporation for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Corporation and the Security Registrar and duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of authorized denominations and of like tenor and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of the Securities of this series and for covenant defeasance at any time of certain covenants in the Indenture upon compliance with certain conditions set forth in the Indenture.

Prior to due presentment of this Security for registration of transfer, the Corporation, the Trustee and any agent of the Corporation or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Corporation, the Trustee nor any such agent shall be affected by notice to the contrary.

The Securities of this series are issuable only in registered form without coupons in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof. As provided in the Indenture and subject to the limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series of a different authorized denomination, as requested by the Holder surrendering the same upon surrender of the Security or Securities to be exchanged at the office or agency of the Corporation.

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

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common	UNIF GIFT MIN ACT -	_____ Custodian _____ (Cust) (Minor)
TEN ENT — as tenants by the entireties		
JT TEN — as joint tenants with rights of survivorship and not as tenants in common		under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto (please insert Social Security or other identifying number of assignee)

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE

the within Security and all rights thereunder, hereby irrevocably constituting and appointing _____ agent to transfer said Security on the books of the Corporation, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular without alteration or enlargement, or any change whatever.

Signature Guarantee: _____

SIGNATURE GUARANTEE

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT D

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:

Authorized Signatory

D-1

EXHIBIT E

FORM OF
3.95% SENIOR NOTE DUE 2047

No.

CUSIP No. 26441C AY1

DUKE ENERGY CORPORATION
3.95% SENIOR NOTE DUE 2047

Principal Amount: \$

Regular Record Date: Close of business on the 15th calendar day prior to the relevant Interest Payment Date (whether or not a Business Day)

Original Issue Date: August 10, 2017

Stated Maturity: August 15, 2047

Interest Payment Dates: Semi-annually on February 15 and August 15 of each year, commencing on February 15, 2018

Interest Rate: 3.95% per annum

Authorized Denomination: \$2,000 or any integral multiple of \$1,000 in excess thereof

Duke Energy Corporation, a Delaware corporation (the "Corporation", which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of DOLLARS (\$) on the Stated Maturity shown above and to pay interest thereon from the Original Issue Date shown above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on each Interest Payment Date as specified above, commencing on February 15, 2018 and on the Stated Maturity at the rate per annum shown above until the principal hereof is paid or made available for payment and at such rate on any overdue principal and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date (other than an Interest Payment Date that is the Stated Maturity or a Redemption Date) will, as provided in the Indenture, be paid to the Person in whose name this 3.95% Senior Note due 2047 (this "Security") is registered on the Regular Record Date as specified above next preceding such Interest Payment Date; *provided* that any interest payable at Stated Maturity or on a Redemption Date will be paid to the Person to whom principal is payable. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Securities shall be listed, and upon such notice as may be required by any such exchange, all as more fully provided in the Indenture.

Payments of interest on this Security will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Security shall be computed and paid on the basis of a

360-day year consisting of twelve 30-day months and will accrue from August 10, 2017 or from the most recent Interest Payment Date to which interest has been paid or duly provided for. In the event that any date on which interest is payable on this Security is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. "Business Day" means any day other than a Saturday or Sunday that is neither a Legal Holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close, or a day on which the Corporate Trust Office is closed for business. "Legal Holiday" means any day that is a legal holiday in New York, New York.

Payment of principal of, premium, if any, and interest on the Securities of this series shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on the Securities of this series represented by a Global Security shall be made by wire transfer of immediately available funds to the Holder of such Global Security, provided that, in the case of payments of principal and premium, if any, such Global Security is first surrendered to the Paying Agent. If any of the Securities of this series are no longer represented by a Global Security, (i) payments of principal, premium, if any, and interest due at the Stated Maturity or earlier redemption of such Securities shall be made at the office of the Paying Agent upon surrender of such Securities to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Corporation, subject to such surrender where applicable, by (A) check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (B) wire transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least sixteen (16) days prior to the date for payment by the Person entitled thereto.

At any time before February 15, 2047 (the "Par Call Date"), the Securities of this series shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, on any date (a "Redemption Date"), at a redemption price equal to the greater of (i) 100% of the principal amount of the Securities of this series being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if this Security matured on the Par Call Date (exclusive of interest accrued to such Redemption Date) discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points, plus, in either case, accrued and unpaid interest on the principal amount being redeemed to, but excluding, such Redemption Date.

At any time on or after the Par Call Date, the Securities of this series shall be redeemable, in whole or in part and from time to time, at the option of the Corporation, at a redemption price equal to 100% of the principal amount of the Securities of this series being redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, such Redemption Date.

For purposes of the second preceding paragraph, the following terms have the following meanings:

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Securities of this series to be redeemed (assuming, for this purpose, that this Security matured on the Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Securities of this series.

“Comparable Treasury Price” means, with respect to any Redemption Date for the Securities of this series, (1) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if fewer than four of such Reference Treasury Dealer Quotations are obtained, the average of all such Reference Treasury Dealer Quotations as determined by the Corporation.

“Quotation Agent” means a Reference Treasury Dealer appointed by the Corporation.

“Reference Treasury Dealer” means each of Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and a Primary Treasury Dealer (as defined below) selected by MUFG Securities Americas Inc., or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Corporation will substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the Securities of this series, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date for the Securities of this series, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate shall be calculated by the Corporation on the third Business Day preceding the Redemption Date.

The Corporation shall notify the Trustee of the redemption price with respect to any redemption of the Securities of this series occurring before the Par Call Date promptly after the calculation thereof. The Trustee shall not be responsible for calculating said redemption price.

Notice of any redemption by the Corporation will be mailed (or, as long as the Securities of this series are represented by one or more Global Securities, transmitted in accordance with the Depository’s standard procedures therefor) at least 10 days but not more than 60 days before any Redemption Date to each Holder of Securities of this series to be redeemed. If Notice of a redemption is provided and funds are deposited as required, interest will cease to accrue on and after the Redemption Date on the Securities of this series or portions of Securities of this series called for redemption. In the event that any Redemption Date is not a Business Day, the Corporation will pay the redemption price on the next Business Day without any interest or other payment in respect of any such delay. If less than all the Securities of this series are to be redeemed at the option of the Corporation, the Trustee shall select, in such manner as it shall deem fair and appropriate, the Securities of this series to be redeemed in whole or in part. The Trustee may select for redemption Securities of this series and portions of the Securities of this series in amounts of \$2,000 or any integral multiple of \$1,000 in excess thereof. As long as the Securities of this series are represented by Global Securities, beneficial interests in such Securities shall be selected for redemption by the Depository in accordance with its standard procedures therefor.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

The Securities of this series shall not have a sinking fund.

The Securities of this series shall constitute the direct unsecured and unsubordinated debt obligations of the Corporation and shall rank equally in priority with the Corporation's existing and future unsecured and unsubordinated indebtedness.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS SECURITY SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be duly executed.

Duke Energy Corporation

By: _____

Name:

Title:

E-5

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:

Authorized Signatory

(Reverse Side of Security)

This 3.95% Senior Note due 2047 is one of a duly authorized issue of Securities of the Corporation (the "Securities"), issued and issuable in one or more series under an Indenture, dated as of June 3, 2008, as supplemented (the "Indenture"), between the Corporation and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as Trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitation of rights, duties and immunities thereunder of the Corporation, the Trustee and the Holders of the Securities issued thereunder and of the terms upon which said Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof as 3.95% Senior Notes due 2047 initially in the aggregate principal amount of \$500,000,000. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture.

If an Event of Default with respect to the Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Corporation and the rights of the Holders of the Securities of all series affected under the Indenture at any time by the Corporation and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of all series affected thereby (voting as one class). The Indenture contains provisions permitting the Holders of not less than a majority in principal amount of the Outstanding Securities of all series with respect to which a default under the Indenture shall have occurred and be continuing (voting as one class), on behalf of the Holders of the Securities of all such series, to waive, with certain exceptions, such default under the Indenture and its consequences. The Indenture also permits the Holders of not less than a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Corporation with certain provisions of the Indenture affecting such series. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Corporation for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Corporation and the Security Registrar and duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of authorized denominations and of like tenor and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of the Securities of this series and for covenant defeasance at any time of certain covenants in the Indenture upon compliance with certain conditions set forth in the Indenture.

Prior to due presentment of this Security for registration of transfer, the Corporation, the Trustee and any agent of the Corporation or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Corporation, the Trustee nor any such agent shall be affected by notice to the contrary.

The Securities of this series are issuable only in registered form without coupons in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof. As provided in the Indenture and subject to the limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series of a different authorized denomination, as requested by the Holder surrendering the same upon surrender of the Security or Securities to be exchanged at the office or agency of the Corporation.

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

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common	UNIF GIFT MIN ACT -	_____ Custodian _____ (Cust) (Minor)
TEN ENT — as tenants by the entireties		
JT TEN — as joint tenants with rights of survivorship and not as tenants in common		under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto (please insert Social Security or other identifying number of assignee)

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE

the within Security and all rights thereunder, hereby irrevocably constituting and appointing _____ agent to transfer said Security on the books of the Corporation, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular without alteration or enlargement, or any change whatever.

Signature Guarantee: _____

SIGNATURE GUARANTEE

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT F

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:

Authorized Signatory

F-1

Exhibit 5.1

DUKE ENERGY BUSINESS SERVICES LLC
550 S. Tryon Street
Charlotte, North Carolina 28202
August 10, 2017

Duke Energy Corporation
550 S. Tryon Street
Charlotte, North Carolina 28202-4200

Re: Duke Energy Corporation \$500,000,000 2.40% Senior Notes due 2022, \$750,000,000 3.15% Senior Notes due 2027 and \$500,000,000 3.95% Senior Notes due 2047

Ladies and Gentlemen:

I am Deputy General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation, a Delaware corporation (the "Company"), and in such capacity I have acted as counsel to the Company in connection with the public offering of \$500,000,000 aggregate principal amount of the Company's 2.40% Senior Notes due 2022, \$750,000,000 aggregate principal amount of the Company's 3.15% Senior Notes due 2027 and \$500,000,000 aggregate principal amount of the Company's 3.95% Senior Notes due 2047 (collectively, the "Securities"). The Securities are being issued pursuant to an Indenture, dated as of June 3, 2008 (the "Original Indenture"), by and between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), as amended and supplemented by various supplemental indentures thereto, including the Seventeenth Supplemental Indenture, dated as of August 10, 2017 (the "Supplemental Indenture"), between the Company and the Trustee (the Original Indenture, as amended and supplemented, being referred to as the "Indenture"). On August 7, 2017, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and MUFG Securities Americas Inc., as representatives of the several underwriters named therein (the "Underwriters"), relating to the sale by the Company to the Underwriters of the Securities.

This opinion is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act").

I am a member of the bar of the State of North Carolina and my opinions set forth herein are limited to Delaware corporate law and the laws of the State of New York and the federal laws of the United States that, in my experience, are normally applicable to transactions of the type contemplated above and, to the extent that judicial or regulatory orders or decrees or consents, approvals, licenses, authorizations, validations, filings, recordings or registrations with governmental authorities are relevant, to those required under such laws (all of the foregoing being referred to as "Opined on Law"). I do not express any opinion with respect to the law of any jurisdiction other than Opined on Law or as to the effect of any such non-opined law on the opinions herein stated. This opinion is limited to the laws, including the rules and regulations, as in effect on the date hereof, which laws are subject to change with possible retroactive effect.

In rendering the opinion set forth herein, I or attorneys under my supervision (with whom I have consulted) have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of:

- (a) the registration statement on Form S-3, as amended (File No. 333-213765) of the Company relating to the Securities and other securities of the Company originally filed on September 23, 2016, and subsequently filed on January 26, 2017, with the Securities and Exchange Commission (the "Commission") under the Securities Act, allowing for delayed offerings pursuant to Rule 415 under the Securities Act and the information deemed to be a part of such registration statement as of the date hereof pursuant to Rule 430B of the General Rules and Regulations under the Securities Act (the "Rules and Regulations") (such registration statement, effective upon original filing with the Commission on September 23, 2016 pursuant to Rule 462(e) of the Rules and Regulations, being hereinafter referred to as the "Registration Statement");
 - (b) the prospectus, dated January 26, 2017 relating to the offering of securities of the Company, which forms a part of and is included in the Registration Statement in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
 - (c) the preliminary prospectus supplement, dated August 7, 2017, and the prospectus, dated January 26, 2017, relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
 - (d) the prospectus supplement, dated August 7, 2017, and the prospectus, dated January 26, 2017, relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
 - (e) the Amended and Restated Certificate of Incorporation of the Company, dated as of May 19, 2014, as certified by the Secretary of State of the State of Delaware;
 - (f) the Amended and Restated By-laws of the Company, effective as of January 4, 2016;
 - (g) an executed copy of the Original Indenture;
 - (h) an executed copy of the Supplemental Indenture;
 - (i) an executed copy of the Underwriting Agreement;
 - (j) the certificates representing the Securities;
 - (k) the issuer free writing prospectus issued at or prior to 4:30 p.m. (Eastern time) on August 7, 2017, which the Company was advised is the time of the first contract of sale of the Securities, substantially in the form attached as Schedule C to the Underwriting Agreement and as filed with the Commission pursuant to Rule 433(d) of the Securities Act and Section 5(e) of the Underwriting Agreement;
 - (l) the Statement of Eligibility under the Trust Indenture Act of 1939, as amended, on Form T-1, of the Trustee;
 - (m) resolutions of the Board of Directors of the Company, adopted on August 25, 2016, relating to the preparation and filing with the Commission of the Registration Statement and the issuance of the Company's securities; and
 - (n) the written consent of the Assistant Treasurer of the Company, effective as of August 7, 2017.
-

I or attorneys under my supervision (with whom I have consulted) have also examined originals or copies, certified or otherwise identified to my satisfaction, of such records of the Company and such agreements, certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents as I or attorneys under my supervision (with whom I have consulted) have deemed necessary or appropriate as a basis for the opinions set forth below.

In my examination, I or attorneys under my supervision (with whom I have consulted) have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as facsimile, electronic, certified, conformed, or photostatic copies, and the authenticity of the originals of such documents. In making my examination of executed documents or documents to be executed, I have assumed that the parties thereto, other than the Company had or will have the power, corporate or otherwise, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery by such parties of such documents, and, as to parties other than the Company, the validity and binding effect on such parties. As to any facts material to this opinion that I or attorneys under my supervision (with whom I have consulted) did not independently establish or verify, we have relied upon oral or written statements and representations of officers and other representatives of the Company and others and of public officials.

The opinion set forth below is subject to the following further qualifications, assumptions and limitations:

- (i) the validity or enforcement of any agreements or instruments may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law); and
- (ii) I do not express any opinion as to the applicability or effect of any fraudulent transfer, preference or similar law on any agreements or instruments or any transactions contemplated thereby.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that the Securities have been duly authorized and executed by the Company, and that when duly authenticated by the Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Underwriting Agreement and the Indenture, the Securities will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms.

I hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement through incorporation by reference of a current report on Form 8-K. I also hereby consent to the use of my name under the heading "Legal Matters" in the prospectus which forms a part of the Registration Statement. In giving this consent, I do not thereby admit that I am within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated, and I disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable laws.

Very truly yours,

/s/ Robert T. Lucas III
Robert T. Lucas III, Esq.

Exhibit 99.1

Execution Copy

DUKE ENERGY CORPORATION

\$500,000,000 2.40% SENIOR NOTES DUE 2022
\$750,000,000 3.15% SENIOR NOTES DUE 2027
\$500,000,000 3.95% SENIOR NOTES DUE 2047

UNDERWRITING AGREEMENT

August 7, 2017

Barclays Capital Inc.
Credit Suisse Securities (USA) LLC
J.P. Morgan Securities LLC
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
MUFG Securities Americas Inc.

As Representatives of the several Underwriters

c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated
One Bryant Park
New York, New York 10036

Ladies and Gentlemen:

1. *Introductory.* DUKE ENERGY CORPORATION, a Delaware corporation (the "**Corporation**"), proposes, subject to the terms and conditions stated herein, to issue and sell (i) \$500,000,000 aggregate principal amount of 2.40% Senior Notes due 2022 (the "**2022 Notes**"), (ii) \$750,000,000 aggregate principal amount of 3.15% Senior Notes due 2027 (the "**2027 Notes**") and (iii) \$500,000,000 aggregate principal amount of 3.95% Senior Notes due 2047 (the "**2047 Notes**") and, together with the 2022 Notes and the 2027 Notes, the "**Notes**") to be issued pursuant to the provisions of an Indenture, dated as of June 3, 2008, (the "**Original Indenture**") as supplemented from time to time by supplemental indentures, including the Seventeenth Supplemental Indenture, to be dated as of August 10, 2017 (the "**Supplemental Indenture**" and together with the Original Indenture, the "**Indenture**"), between the Corporation and The Bank of New York Mellon Trust Company, N.A. (the "**Trustee**"). Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and MUFG Securities Americas Inc. (the "**Representatives**") are acting as representatives of the several underwriters named in Schedule A hereto (together with the Representatives, the "**Underwriters**"). The Corporation understands that the several Underwriters propose to offer the Notes for sale upon the terms and conditions contemplated by (i) this Agreement and (ii) the Base Prospectus, the Preliminary Prospectus and any Permitted Free Writing Prospectus (each, as defined below) issued at or prior to the Applicable Time (as

defined below) (such documents referred to in this subclause (ii) are referred to as the “**Pricing Disclosure Package**”).

2. *Representations and Warranties of the Corporation.* The Corporation represents and warrants to, and agrees with, the several Underwriters that:

- (a) Registration statement (No. 333-213765), including a prospectus, relating to the Notes and certain other securities has been filed with the Securities and Exchange Commission (the “**Commission**”) under the Securities Act of 1933, as amended (the “**1933 Act**”). Such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, became effective upon filing with the Commission pursuant to Rule 462 of the rules and regulations of the Commission under the 1933 Act (the “**1933 Act Regulations**”), and no stop order suspending the effectiveness of such registration statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the 1933 Act has been initiated or threatened by the Commission (if prepared, any preliminary prospectus supplement specifically relating to the Notes immediately prior to the Applicable Time included in such registration statement or filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations being hereinafter called a “**Preliminary Prospectus**”); the term “**Registration Statement**” means the registration statement as deemed revised pursuant to Rule 430B(f)(1) of the 1933 Act Regulations on the date of such registration statement’s effectiveness for purposes of Section 11 of the 1933 Act, as such section applies to the Corporation and the Underwriters for the Notes pursuant to Rule 430B(f)(2) of the 1933 Act Regulations (the “**Effective Date**”), including all exhibits thereto and including the documents incorporated by reference in the prospectus contained in the Registration Statement at the time such part of the Registration Statement became effective; the term “**Base Prospectus**” means the prospectus filed with the Commission on the date hereof by the Corporation; and the term “**Prospectus**” means the Base Prospectus together with the prospectus supplement specifically relating to the Notes prepared in accordance with the provisions of Rule 430B and promptly filed after execution and delivery of this Agreement pursuant to Rule 430B or Rule 424(b) of the 1933 Act Regulations; any information included in such Prospectus that was omitted from the Registration Statement at the time it became effective but that is deemed to be a part of and included in such registration statement pursuant to Rule 430B is referred to as “**Rule 430B Information**,” and any reference herein to any Registration Statement, Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein prior to the date hereof; any reference to any amendment or supplement to any Preliminary Prospectus or Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the “**1934 Act**”), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Corporation filed pursuant to Section 13(a) or 15(d) of the 1934 Act after the effective date of the Registration Statement that is incorporated by reference

in the Registration Statement. For purposes of this Agreement, the term “**Applicable Time**” means 4:30 p.m. (New York City time) on the date hereof.

- (b) The Registration Statement, the Permitted Free Writing Prospectus specified on Schedule B hereto, any Preliminary Prospectus and the Prospectus, conform, and any amendments or supplements thereto will conform, in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations, and (A) the Registration Statement, as of the Effective Date, at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations, and at the Closing Date (as defined in Section 3), did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) (i) the Pricing Disclosure Package, as of the Applicable Time, did not, (ii) the Prospectus and any amendment or supplement thereto, as of their dates, will not, and (iii) the Prospectus as of the Closing Date will not, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the Corporation makes no warranty or representation to the Underwriters with respect to any statements or omissions made in reliance upon and in conformity with written information furnished to the Corporation by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Permitted Free Writing Prospectus, any Preliminary Prospectus or the Prospectus.
- (c) Any Permitted Free Writing Prospectus specified on Schedule B hereto as of its issue date and at all subsequent times through the completion of the public offer and sale of the Notes or until any earlier date that the Corporation notified or notifies the Underwriters as described in Section 5(f) did not, does not and will not include any information that conflicts with the information (not superseded or modified as of the Effective Date) contained in the Registration Statement, any Preliminary Prospectus or the Prospectus.
- (d) At the earliest time the Corporation or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Notes, the Corporation was not an “ineligible issuer” as defined in Rule 405 of the 1933 Act Regulations. The Corporation is, and was at the time of the initial filing of the Registration Statement, eligible to use Form S-3 under the 1933 Act.
- (e) The documents and interactive data in eXtensible Business Reporting Language (“**XBRL**”) incorporated or deemed to be incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, at the time they were filed or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the “**1934 Act Regulations**”), and, when read together with the other information in the Prospectus, (a) at the time the Registration Statement became effective, (b) at the Applicable Time and (c) on the Closing Date did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be

stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- (f) The compliance by the Corporation with all of the provisions of this Agreement has been duly authorized by all necessary corporate action and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Corporation or any of its Principal Subsidiaries (as hereinafter defined) is a party or by which any of them or their respective property is bound or to which any of their properties or assets is subject that would have a material adverse effect on the business, financial condition or results of operations of the Corporation and its subsidiaries, taken as a whole, nor will such action result in any violation of the provisions of the amended and restated Certificate of Incorporation (the "**Certificate of Incorporation**"), the amended and restated By-Laws (the "**By-Laws**") of the Corporation or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Corporation or its Principal Subsidiaries or any of their respective properties that would have a material adverse effect on the business, financial condition or results of operations of the Corporation and its subsidiaries, taken as a whole; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Corporation of the transactions contemplated by this Agreement, except for the approval of the North Carolina Utilities Commission which has been received as of the date of this Agreement, registration under the 1933 Act of the Notes, qualification under the Trust Indenture Act of 1939 (the "**1939 Act**") and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Notes by the Underwriters.
- (g) This Agreement has been duly authorized, executed and delivered by the Corporation.
- (h) Each of Duke Energy Carolinas, LLC, a North Carolina limited liability company, Duke Energy Indiana, LLC, an Indiana limited liability company, Progress Energy, Inc., a North Carolina corporation, Duke Energy Progress, LLC, a North Carolina limited liability company, and Duke Energy Florida, LLC, a Florida limited liability company, is a "significant subsidiary" of the Corporation within the meaning of Rule 1-02 of Regulation S-X under the 1933 Act (herein collectively referred to, along with Duke Energy Ohio, Inc., an Ohio corporation and Piedmont Natural Gas Company, Inc., a North Carolina corporation, as the "**Principal Subsidiaries**").
- (i) The Indenture has been duly authorized, executed and delivered by the Corporation and duly qualified under the 1939 Act and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes a valid and legally binding instrument of the Corporation enforceable against the Corporation in accordance with its terms, except as the enforceability thereof may

be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

- (j) The Notes have been duly authorized and when executed by the Corporation and, when authenticated by the Trustee, in the manner provided in the Indenture and delivered against payment therefor, will constitute valid and legally binding obligations of the Corporation, enforceable against the Corporation in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and are entitled to the benefits afforded by the Indenture in accordance with the terms of the Indenture and the Notes.
- (k) Any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument filed or incorporated by reference as an exhibit to the Registration Statement or the Annual Report on Form 10-K of the Corporation for the fiscal year ended December 31, 2016 or any subsequent Quarterly Report on Form 10-Q of the Corporation or Current Report on Form 8-K of the Corporation, except to the extent that such agreement is no longer in effect or to the extent that neither the Corporation nor any subsidiary of the Corporation is currently a party to such agreement, are all indentures, mortgages, deeds of trust, loan agreements or other agreements or instruments that are material to the Corporation.
- (l) The Corporation is not required to be qualified as a foreign corporation to transact business in Indiana, North Carolina, Ohio, South Carolina and Florida.
- (m) Any pro forma financial statements of the Corporation and its subsidiaries and the related notes thereto incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein.

3. *Purchase, Sale and Delivery of Notes.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Corporation agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Corporation, at a purchase price of (i) 99.193% of the principal amount of the 2022 Notes plus accrued interest, if any, from August 10, 2017 (and in the manner set forth below), (ii) 99.069% of the principal amount of the 2027 Notes plus accrued interest, if any, from August 10, 2017 (and in the manner set forth below) and (iii) 98.723% of the principal amount of the 2047 Notes plus accrued interest, if any, from August 10, 2017 (and in the manner set forth below), the respective principal amounts of Notes set forth opposite the names of the Underwriters in Schedule A hereto plus the respective principal amounts of additional Notes which each such Underwriter may become obligated to purchase pursuant to the provisions of Section 8 hereof. The Underwriters hereby agree to make a payment to the Corporation in an

amount equal to \$3,375,000 including in respect of expenses incurred by us in connection with the offering of the Notes.

Payment of the purchase price for the Notes to be purchased by the Underwriters and the payment referred to above shall be made at the offices of Hunton & Williams LLP, 200 Park Avenue, 52nd Floor, New York, NY 10166, or at such other place as shall be mutually agreed upon by the Representatives and the Corporation, at 10:00 a.m., New York City time, on August 10, 2017 or such other time and date as shall be agreed upon in writing by the Corporation and the Representatives (the “**Closing Date**”). All other documents referred to herein that are to be delivered at the Closing Date shall be delivered at that time at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019. Payment shall be made to the Corporation by wire transfer in immediately available funds, payable to the order of the Corporation against delivery of the Notes, in fully registered form, to you or upon your order. The 2022 Notes, the 2027 Notes and the 2047 Notes shall each be delivered in the form of one or more global certificates in aggregate denomination equal to the aggregate principal amount of the respective 2022 Notes, 2027 Notes and 2047 Notes upon original issuance and registered in the name of Cede & Co., as nominee for The Depository Trust Company (“**DTC**”).

4. *Offering by the Underwriters.* It is understood that the several Underwriters propose to offer the Notes for sale to the public as set forth in the Pricing Disclosure Package and the Prospectus.

5. *Covenants of the Corporation.* The Corporation covenants and agrees with the several Underwriters that:

- (a) The Corporation will cause any Preliminary Prospectus and the Prospectus to be filed pursuant to, and in compliance with, Rule 424(b) of the 1933 Act Regulations, and advise the Underwriters promptly of the filing of any amendment or supplement to the Registration Statement, any Preliminary Prospectus or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement, and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.
- (b) If at any time when a prospectus relating to the Notes (or the notice referred to in Rule 173(a) of the 1933 Act Regulations) is required to be delivered under the 1933 Act any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Pricing Disclosure Package or the Prospectus to comply with the 1933 Act, the Corporation promptly will prepare and file with the Commission an amendment, supplement or an appropriate document pursuant to Section 13 or 14 of the 1934 Act which will correct such statement or omission or which will effect such compliance.
- (c) The Corporation, during the period when a prospectus relating to the Notes is required to be delivered under the 1933 Act, will timely file all documents

required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act.

- (d) Without the prior consent of the Underwriters, the Corporation has not made and will not make any offer relating to the Notes that would constitute a “free writing prospectus” as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus; each Underwriter, severally and not jointly, represents and agrees that, without the prior consent of the Corporation, it has not made and will not make any offer relating to the Notes that would constitute a “free writing prospectus” as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus or a free writing prospectus that is not required to be filed by the Corporation pursuant to Rule 433 of the 1933 Act Regulations (“**Rule 433**”); any such free writing prospectus (which shall include the pricing term sheet discussed in Section 5(e) below), the use of which has been consented to by the Corporation and the Underwriters, is listed on Schedule B and herein is called a “**Permitted Free Writing Prospectus**.” The Corporation represents that it has treated or agrees that it will treat each Permitted Free Writing Prospectus as an “issuer free writing prospectus,” as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping.
- (e) The Corporation agrees to prepare a pricing term sheet specifying the terms of the Notes not contained in any Preliminary Prospectus, substantially in the form of Schedule C hereto and approved by the Representatives on behalf of the Underwriters, and to file such pricing term sheet as an “issuer free writing prospectus” pursuant to Rule 433 prior to the close of business two business days after the date hereof.
- (f) The Corporation agrees that if at any time following the issuance of a Permitted Free Writing Prospectus any event occurs as a result of which such Permitted Free Writing Prospectus would conflict with the information (not superseded or modified as of the Effective Date) in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances then prevailing, not misleading, the Corporation will give prompt notice thereof to the Underwriters and, if requested by the Underwriters, will prepare and furnish without charge to each Underwriter a free writing prospectus or other document, the use of which has been consented to by the Underwriters, which will correct such conflict, statement or omission.
- (g) The Corporation will make generally available to its security holders, in each case as soon as practicable but not later than 60 days after the close of the period covered thereby, earnings statements (in form complying with the provisions of Rule 158 under the 1933 Act, which need not be certified by independent certified public accountants unless required by the 1933 Act) covering (i) a twelve-month period beginning not later than the first day of the Corporation’s fiscal quarter

next following the effective date of the Registration Statement and (ii) a twelve-month period beginning not later than the first day of the Corporation's fiscal quarter next following the date of this Agreement.

- (h) The Corporation will furnish to you, without charge, copies of the Registration Statement (four of which will include all exhibits other than those incorporated by reference), the Pricing Disclosure Package and the Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as you reasonably request.
- (i) The Corporation will arrange or cooperate in arrangements, if necessary, for the qualification of the Notes for sale under the laws of such jurisdictions as you designate and will continue such qualifications in effect so long as required for the distribution; provided, however, that the Corporation shall not be required to qualify as a foreign corporation or to file any general consents to service of process under the laws of any state where it is not now so subject.
- (j) The Corporation will pay all expenses incident to the performance of its obligations under this Agreement including (i) the printing and filing of the Registration Statement and the printing of this Agreement and any Blue Sky Survey, (ii) the preparation and printing of certificates for the Notes, (iii) the issuance and delivery of the Notes as specified herein, (iv) the fees and disbursements of counsel for the Underwriters in connection with the qualification of the Notes under the securities laws of any jurisdiction in accordance with the provisions of Section 5(i) and in connection with the preparation of the Blue Sky Survey, such fees not to exceed \$5,000, (v) the printing and delivery to the Underwriters, in quantities as hereinabove referred to, of copies of the Registration Statement and any amendments thereto, of any Preliminary Prospectus, of the Prospectus, of any Permitted Free Writing Prospectus and any amendments or supplements thereto, (vi) any fees charged by independent rating agencies for rating the Notes, (vii) any fees and expenses in connection with the listing of the Notes on the New York Stock Exchange, (viii) any filing fee required by the Financial Industry Regulatory Authority, Inc., (ix) the costs of any depository arrangements for the Notes with DTC or any successor depository and (x) the costs and expenses of the Corporation relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Notes, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Corporation, travel and lodging expenses of the Underwriters and officers of the Corporation and any such consultants, and the cost of any aircraft chartered in connection with the road show; provided, however, the Underwriters shall reimburse a portion of the costs and expenses referred to in this clause (x).

6. *Conditions of the Obligations of the Underwriters.* The obligations of the several Underwriters to purchase and pay for the Notes will be subject to the accuracy of the representations and warranties on the part of the Corporation herein, to the accuracy of the statements of officers of the Corporation made pursuant to the provisions hereof, to the

performance by the Corporation of its obligations hereunder and to the following additional conditions precedent:

- (a) The Prospectus shall have been filed by the Corporation with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for filing by the 1933 Act Regulations and in accordance herewith and each Permitted Free Writing Prospectus shall have been filed by the Corporation with the Commission within the applicable time periods prescribed for such filings by, and otherwise in compliance with, Rule 433.
- (b) On or after the Applicable Time and prior to the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the 1933 Act shall have been instituted or, to the knowledge of the Corporation or you, shall be threatened by the Commission.
- (c) On or after the Applicable Time and prior to the Closing Date, the rating assigned by Moody's Investors Service, Inc., S&P Global Ratings or Fitch Ratings, Inc. (or any of their successors) to any debt securities or preferred stock of the Corporation as of the date of this Agreement shall not have been lowered.
- (d) Since the respective most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus and up to the Closing Date, there shall not have been any material adverse change in the condition of the Corporation, financial or otherwise, except as reflected in or contemplated by the Pricing Disclosure Package and the Prospectus, and, since such dates and up to the Closing Date, there shall not have been any material transaction entered into by the Corporation other than transactions contemplated by the Pricing Disclosure Package and the Prospectus and transactions in the ordinary course of business, the effect of which in your reasonable judgment is so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Notes on the terms and in the manner contemplated by the Pricing Disclosure Package and the Prospectus.
- (e) You shall have received an opinion of Robert T. Lucas III, Esq., Deputy General Counsel of Duke Energy Business Services LLC, a service company subsidiary of the Corporation, dated the Closing Date, to the effect that:
 - (i) Each of Duke Energy Ohio, Inc., Progress Energy, Inc. and Piedmont Natural Gas Company, Inc., has been duly incorporated and is validly existing in good standing under the laws of the jurisdiction of its incorporation and has the respective corporate power and authority and foreign qualifications necessary to own its properties and to conduct its business as described in the Pricing Disclosure Package and the Prospectus. Each of Duke Energy Carolinas, LLC, Duke Energy Florida, LLC, Duke Energy Indiana, LLC and Duke Energy Progress, LLC has been duly organized and is validly existing and in good standing as a limited liability company under the laws of the State of North Carolina, the State of Florida, the State of Indiana and the State of North Carolina,

respectively, and has full limited liability company power and authority necessary to own its properties and to conduct its business as described in the Pricing Disclosure Package and the Prospectus;

- (ii) Each of the Corporation and the Principal Subsidiaries is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure to so qualify, considering all such cases in the aggregate, does not have a material adverse effect on the business, properties, financial condition or results of operations of the Corporation and its subsidiaries taken as a whole.
- (iii) The Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the 1933 Act.
- (iv) The descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and such counsel does not know of any litigation or any legal or governmental proceeding instituted or threatened against the Corporation or any of its Principal Subsidiaries or any of their respective properties that would be required to be disclosed in the Registration Statement, the Pricing Disclosure Package or the Prospectus and is not so disclosed.
- (v) This Agreement has been duly authorized, executed and delivered by the Corporation.
- (vi) The execution, delivery and performance by the Corporation of this Agreement and the Indenture and the issue and sale of the Notes will not violate or contravene any of the provisions of the Certificate of Incorporation or By-Laws of the Corporation or any statute or any order, rule or regulation of which such counsel is aware of any court or governmental agency or body having jurisdiction over the Corporation or any of its Principal Subsidiaries or any of their respective property, nor will such action conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Corporation or any of its Principal Subsidiaries is a party or by which any of them or their respective property is bound or to which any of its property or assets is subject, which affects in a material way the Corporation's ability to perform its obligations under this Agreement, the Indenture and the Notes.
- (vii) The Indenture has been duly authorized, executed and delivered by the Corporation and, assuming the due authorization, execution and delivery

thereof by the Trustee, constitutes a valid and legally binding instrument of the Corporation, enforceable against the Corporation in accordance with its terms.

- (viii) The Notes have been duly authorized, executed and issued by the Corporation and, when authenticated by the Trustee, in the manner provided in the Indenture and delivered against payment therefor, will constitute valid and legally binding obligations of the Corporation enforceable against the Corporation in accordance with their terms, and are entitled to the benefits afforded by the Indenture in accordance with the terms of the Indenture and the Notes.
- (ix) No consent, approval, authorization, order, registration or qualification is required to authorize, or for the Corporation to consummate the transactions contemplated by this Agreement, except for such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Notes by the Underwriters and except as required in Condition No. 7.6 of the order of the North Carolina Utilities Commission dated September 29, 2016, in Docket Nos. E-7, Sub 1100, E-2, Sub 1095, and G-9, Sub 682, which consent has been obtained.

Such counsel may state that his opinions in paragraphs (vii) and (viii) are subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). Such counsel shall state that nothing has come to his attention that has caused him to believe that each document incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, when filed, was not, on its face, appropriately responsive, in all material respects, to the requirements of the 1934 Act and the 1934 Act Regulations. Such counsel shall also state that nothing has come to his attention that has caused him to believe that (i) the Registration Statement, including the Rule 430B Information, as of its effective date and at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Pricing Disclosure Package at the Applicable Time contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (iii) that the Prospectus or any amendment or supplement thereto, as of their respective dates and at the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Such counsel may also state that, except as otherwise expressly provided in such opinion, he does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in or incorporated by reference into the Registration Statement, the Pricing Disclosure Package or the Prospectus and does not express any opinion or belief as to (i) the financial statements or other financial and accounting data contained or incorporated by reference therein or excluded therefrom, including XBRL interactive data, (ii) the statement of the eligibility and qualification

of the Trustee included in the Registration Statement (the “**Form T-1**”) or (iii) the information in the Prospectus under the caption “Book-Entry System.”

In rendering the foregoing opinion, such counsel may state that he does not express any opinion concerning any law other than the law of the State of North Carolina or, to the extent set forth in the foregoing opinions, the federal securities laws and may rely as to all matters of the laws of the States of South Carolina, Ohio, Indiana and Florida on appropriate counsel reasonably satisfactory to the Representatives, which may include the Corporation’s other “in-house” counsel). Such counsel may also state that he has relied as to certain factual matters on information obtained from public officials, officers of the Corporation and other sources believed by him to be responsible.

- (f) You shall have received an opinion of Hunton & Williams LLP, counsel to the Corporation, dated the Closing Date, to the effect that:
 - (i) The Corporation has been duly incorporated and is a validly existing corporation in good standing under the laws of the State of Delaware.
 - (ii) The Corporation has the corporate power and corporate authority to execute and deliver this Agreement and the Supplemental Indenture and to consummate the transactions contemplated hereby.
 - (iii) This Agreement has been duly authorized, executed and delivered by the Corporation.
 - (iv) The Indenture has been duly authorized, executed and delivered by the Corporation and, assuming the due authorization, execution and delivery thereof by the Trustee, is a valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with its terms.
 - (v) The Notes have been duly authorized and executed by the Corporation, and, when duly authenticated by the Trustee and issued and delivered by the Corporation against payment therefor in accordance with the terms of this Agreement and the Indenture, the Notes will constitute valid and binding obligations of the Corporation, entitled to the benefits of the Indenture and enforceable against the Corporation in accordance with their terms.
 - (vi) The statements set forth (i) under the caption “Description of Debt Securities” (other than under the caption “Global Securities”) that are included in the Base Prospectus and (ii) under the caption “Description of the Notes” in the Pricing Disclosure Package and the Prospectus, insofar as such statements purport to summarize certain provisions of the Indenture and the Notes, fairly summarize such provisions in all material respects.
 - (vii) The statements set forth under the caption “Material U.S. Federal Income Tax Considerations,” in the Pricing Disclosure Package and the

Prospectus, insofar as such statements purport to constitute summaries of matters of United States federal income tax law, constitute accurate and complete summaries, in all material respects, subject to the qualifications set forth therein.

- (viii) No Governmental Approval, which has not been obtained or taken and is not in full force and effect, is required to authorize, or is required for, the execution or delivery of this Agreement by the Corporation or the consummation by the Corporation of the transactions contemplated hereby, except for such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Notes by the Underwriters. “**Governmental Approval**” means any consent, approval, license, authorization or validation of, or filing, qualification or registration with, any Governmental Authority required to be made or obtained by the Corporation pursuant to Applicable Laws, other than any consent, approval, license, authorization, validation, filing, qualification or registration that may have become applicable as a result of the involvement of any party (other than the Corporation) in the transactions contemplated by this Agreement or because of such parties’ legal or regulatory status or because of any other facts specifically pertaining to such parties and “**Governmental Authority**” means any court, regulatory body, administrative agency or governmental body of the State of North Carolina, the State of New York or the State of Delaware or the United States of America having jurisdiction over the Corporation under Applicable Law but excluding the North Carolina Utilities Commission, the New York Public Service Commission and the Delaware Public Service Commission.
- (ix) The Corporation is not and, solely after giving effect to the offering and sale of the Notes and the application of the proceeds thereof as described in the Prospectus, will not be subject to registration and regulation as an “investment company” as such term is defined in the Investment Company Act of 1940, as amended.
- (x) The execution and delivery by the Corporation of this Agreement and the Indenture and the consummation by the Corporation of the transactions contemplated hereby, including the issuance and sale of the Notes, will not (i) conflict with the Certificate of Incorporation or the By-Laws, (ii) constitute a violation of, or a breach of or default under, the terms of any of the contracts set forth on Schedule D hereto or (iii) violate or conflict with, or result in any contravention of, any Applicable Law of the State of New York or the General Corporation Law of the State of Delaware. Such counsel shall state that it does not express any opinion, however, as to whether the execution, delivery or performance by the Corporation of this Agreement or the Indenture will constitute a violation of, or a default under, any covenant, restriction or provision with respect to financial ratios or tests or any aspect of the financial condition or results or

operations of the Corporation or any of its subsidiaries. “**Applicable Law**” means the General Corporation Law of the State of Delaware and those laws, rules and regulations of the States of New York and North Carolina and those federal laws, rules and regulations of the United States of America, in each case that, in such counsel’s experience, are normally applicable to transactions of the type contemplated by this Agreement (other than the United States federal securities laws, state securities or Blue Sky laws, antifraud laws and the rules and regulations of the Financial Industry Regulatory Authority, Inc., the North Carolina Public Utilities Act, the rules and regulations of the North Carolina Utilities Commission and the New York State Public Service Commission and the New York State Public Service Law), but without such counsel having made any special investigation as to the applicability of any specific law, rule or regulation.)

- (xi) The statements in the Pricing Disclosure Package and the Prospectus under the caption “Underwriting (Conflicts of Interest),” insofar as such statements purport to summarize certain provisions of this Agreement, fairly summarize such provisions in all material respects.

You shall also have received a statement of Hunton & Williams LLP, dated the Closing Date, to the effect that:

(i) no facts have come to such counsel’s attention that have caused such counsel to believe that the documents filed by the Corporation under the 1934 Act and the 1934 Act Regulations that are incorporated by reference in the Preliminary Prospectus Supplement that forms a part of the Pricing Disclosure Package and the Prospectus, when filed, were not, on their face, appropriately responsive in all material respects to the requirements of the 1934 Act and the 1934 Act Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements) (ii) the Registration Statement, at the Applicable Time and the Prospectus, as of its date, appeared on their face to be appropriately responsive in all material respects to the requirements of the 1933 Act and the 1933 Act Rules and Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements or the Form T-1) and (iii) no facts have come to such counsel’s attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of its date and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, including XBRL interactive data and the Form T-1). Such counsel shall further state that, in addition, no facts have come to such counsel’s attention that have caused such counsel to believe that the

Pricing Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, including XBRL interactive data and the Form T-1).

In addition, such statement shall confirm that the Prospectus has been filed with the Commission within the time period required by Rule 424 of the 1933 Act Regulations and any required filing of a Permitted Free Writing Prospectus pursuant to Rule 433 of the 1933 Act Regulations has been filed with the Commission within the time period required by Rule 433(d) of the 1933 Act Regulations. Such statement shall further state that assuming the accuracy of the representations and warranties of the Corporation set forth in Section 2(d) of this Agreement, the Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations and, pursuant to Section 309 of the Trust Indenture Act of 1939, as amended (the “**1939 Act**”), the Indenture has been qualified under the 1939 Act, and that based solely on such counsel’s review of the Commission’s website, no stop order suspending the effectiveness of the Registration Statement has been issued and, to such counsel’s knowledge, no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

Hunton & Williams LLP may state that its opinions in paragraphs (v) and (vi) are subject to the effects of bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). In addition, such counsel may state that it has relied as to certain factual matters on information obtained from public officials, officers and representatives of the Corporation and that the signatures on all documents examined by them are genuine, assumptions which such counsel have not independently verified.

- (g) You shall have received an opinion of Sidley Austin LLP, counsel for the Underwriters, dated the Closing Date, with respect to the validity of the Notes, the Registration Statement, the Pricing Disclosure Package and the Prospectus, as amended or supplemented, and such other related matters as you may require, and the Corporation shall have furnished to such counsel such documents as it requests for the purpose of enabling it to pass upon such matters.
- (h) At or after the Applicable Time, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally or of the securities of the Corporation, on the New York Stock Exchange; or (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities or a material disruption in commercial banking services or securities settlement or clearance services in the United States; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this subsection (h) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Notes on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus. In such event there shall be

no liability on the part of any party to any other party except as otherwise provided in Section 7 hereof and except for the expenses to be borne by the Corporation as provided in Section 5(j) hereof.

- (i) You shall have received a certificate of the Chairman of the Board, the President, any Vice President, the Secretary or an Assistant Secretary and any financial or accounting officer of the Corporation, dated the Closing Date, in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Corporation in this Agreement are true and correct as of the Closing Date, that the Corporation has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date, that the conditions specified in Section 6(c) and Section 6(d) have been satisfied, and that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened by the Commission.
- (j) At the time of the execution of this Agreement, you shall have received a letter dated such date, in form and substance satisfactory to you, from Deloitte & Touche LLP, the Corporation's independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference into the Registration Statement, the Pricing Disclosure Package and the Prospectus, including specific references to inquiries regarding any increase in long-term debt (excluding current maturities), decrease in net current assets (defined as current assets less current liabilities) or shareholders' equity, change in the Corporation's common stock, and decrease in operating revenues or net income for the period subsequent to the latest financial statements incorporated by reference in the Registration Statement when compared with the corresponding period from the preceding year, as of a specified date not more than three business days prior to the date of this Agreement.
- (k) At the Closing Date, you shall have received from Deloitte & Touche LLP, a letter dated as of the Closing Date, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (j) of this Section 6, except that the specified date referred to shall be not more than three business days prior to the Closing Date.

The Corporation will furnish you with such conformed copies of such opinions, certificates, letters and documents as you reasonably request.

7. *Indemnification.* (a) The Corporation agrees to indemnify and hold harmless each Underwriter, their respective officers and directors, and each person, if any, who controls any Underwriter or within the meaning of Section 15 of the 1933 Act, as follows:

- (i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto) including the Rule 430B Information, or the omission or alleged

omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto), any Permitted Free Writing Prospectus or any issuer free writing prospectus as defined in Rule 433 of the 1933 Act Regulations, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission or such alleged statement or omission was made in reliance upon and in conformity with written information furnished to the Corporation by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus;

- (ii) against any and all loss, liability, claim, damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Corporation; and
- (iii) against any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) of this subsection 7(a).

In no case shall the Corporation be liable under this indemnity agreement with respect to any claim made against any Underwriter or any such controlling person unless the Corporation shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof, but failure so to notify the Corporation shall not relieve it from any liability which it may have otherwise than under subsections 7(a) and 7(b). The Corporation shall be entitled to participate at its own expense in the defense, or, if it so elects, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Underwriter or Underwriters or controlling person or persons, or defendant or defendants in any suit so brought, which approval shall not be unreasonably withheld. In any such suit, any Underwriter or any such controlling person shall have the right to employ its own counsel, but the fees and expenses of such counsel shall be at the expense of such Underwriter or such controlling person unless (i) the Corporation and such Underwriter shall have mutually agreed to the employment of such counsel, or (ii) the named parties to any such action (including any impleaded parties) include both such Underwriter or such controlling person and the Corporation and such Underwriter or such controlling person shall have been advised by such counsel that a conflict of interest between the Corporation and such Underwriter or such

controlling person may arise and for this reason it is not desirable for the same counsel to represent both the indemnifying party and also the indemnified party (it being understood, however, that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all such Underwriters and all such controlling persons, which firm shall be designated in writing by you). The Corporation agrees to notify you within a reasonable time of the assertion of any claim against it, any of its officers or directors or any person who controls the Corporation within the meaning of Section 15 of the 1933 Act, in connection with the sale of the Notes.

- (b) Each Underwriter severally agrees that it will indemnify and hold harmless the Corporation, its directors and each of the officers of the Corporation who signed the Registration Statement and each person, if any, who controls the Corporation within the meaning of Section 15 of the 1933 Act to the same extent as the indemnity contained in subsection (a) of this Section, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Corporation by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Corporation or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Corporation, and the Corporation and each person so indemnified shall have the rights and duties given to the Underwriters, by the provisions of subsection (a) of this Section.
- (c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.
- (d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense

(or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Corporation on the one hand and the Underwriters on the other from the offering of the Notes. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Corporation on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Corporation on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Corporation bear to the total compensation received by the Underwriters in respect of the underwriting discount as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Corporation on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Corporation and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to above in this Section shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Notes underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

8. *Default by One or More of the Underwriters.* (a) If any Underwriter shall default in its obligation to purchase the principal amount of the 2022 Notes, 2027 Notes or 2047 Notes, as applicable, which it has agreed to purchase hereunder on the Closing Date, you may in your discretion arrange for you or another party or other parties to purchase such 2022 Notes, 2027 Notes and/or 2047 Notes, as applicable, on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Notes, then the

Corporation shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Notes on such terms. In the event that, within the respective prescribed periods, you notify the Corporation that you have so arranged for the purchase of such Notes, or the Corporation notifies you that it has so arranged for the purchase of such Notes, you or the Corporation shall have the right to postpone such Closing Date for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Pricing Disclosure Package or the Prospectus, or in any other documents or arrangements, and the Corporation agrees to file promptly any amendments to the Registration Statement, the Pricing Disclosure Package or the Prospectus which may be required. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Notes.

- (b) If, after giving effect to any arrangements for the purchase of the Notes of a defaulting Underwriter or Underwriters by you or the Corporation as provided in subsection (a) above, the aggregate amount of such Notes which remains unpurchased does not exceed one-tenth of the aggregate amount of all the Notes to be purchased at such Closing Date, then the Corporation shall have the right to require each non-defaulting Underwriter to purchase the amount of Notes which such Underwriter agreed to purchase hereunder at such Closing Date and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the amounts of Notes which such Underwriter agreed to purchase hereunder) of the Notes of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.
- (c) If, after giving effect to any arrangements for the purchase of the Notes of a defaulting Underwriter or Underwriters by you or the Corporation as provided in subsection (a) above, the aggregate amount of such Notes which remains unpurchased exceeds one-tenth of the aggregate amount of all the Notes to be purchased at such Closing Date, or if the Corporation shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Notes of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Corporation, except for the expenses to be borne by the Corporation as provided in Section 5(j) hereof and the indemnity and contribution agreement in Section 7 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

9. *Representations and Indemnities to Survive Delivery.* The respective indemnities, agreements, representations, warranties and other statements of the Corporation or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or the Corporation, or any of its officers or directors or any controlling person, and will survive delivery of and payment for the Notes.

10. *Reliance on Your Acts.* In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the Corporation shall be entitled to act and rely upon any

statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives.

11. *No Fiduciary Relationship.* The Corporation acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Agreement is an arm's-length commercial transaction between the Corporation on the one hand, and the Underwriters on the other hand, (ii) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Corporation or its shareholders, creditors, employees, or any other party, (iii) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Corporation with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Corporation on other matters) and no Underwriter has any obligation to the Corporation with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (iv) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Corporation, and (v) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the transaction contemplated hereby and the Corporation has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

12. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed or telecopied and confirmed to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax no.: (646) 834-8133); Credit Suisse Securities (USA) LLC, 11 Madison Avenue, New York, New York 10010 Attention: LCD-IBD, (Fax no.: (212) 325-4296); J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179, Attention: Investment Grade Syndicate Desk (Fax no.: (212) 834-6081); Merrill Lynch, Pierce, Fenner & Smith Incorporated, 50 Rockefeller Plaza, NY1-050-12-01, New York, New York 10020, Attention: High Grade Transaction Management/Legal (Fax no.: (646) 855-5958); MUFG Securities Americas Inc., 1221 Avenue of the Americas, 6th Floor, New York, New York 10020, Attention: Capital Markets Group (Fax no.: (646) 434-3455) or, if sent to the Corporation, will be mailed or telecopied and confirmed to it at 550 S. Tryon Street, Charlotte, N.C. 28202, (Fax no.: (980) 373-3699), attention of Treasurer. Any such communications shall take effect upon receipt thereof.

13. *Business Day.* As used herein, the term "**business day**" shall mean any day when the Commission's office in Washington, D.C. is open for business.

14. *Successors.* This Agreement shall inure to the benefit of and be binding upon the Underwriters and the Corporation and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons, officers and directors referred to in Section 7 and their respective successors, heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained; this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons, officers and directors and their respective successors, heirs and legal representatives, and for the benefit of no other person, firm

or corporation. No purchaser of Notes from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

15. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

16. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

If the foregoing is in accordance with your understanding, kindly sign and return to us two counterparts hereof, and upon confirmation and acceptance by the Underwriters, this letter and such confirmation and acceptance will become a binding agreement between the Corporation, on the one hand, and each of the Underwriters, on the other hand, in accordance with its terms.

Very truly yours,

DUKE ENERGY CORPORATION

By: /s/ John L. Sullivan
Name: John L. Sullivan, III
Title: Assistant Treasurer

[Signature Page to Underwriting Agreement]

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

BARCLAYS CAPITAL INC.
CREDIT SUISSE SECURITIES (USA) LLC
J.P. MORGAN SECURITIES LLC
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
MUFG SECURITIES AMERICAS INC.

On behalf of each of the Underwriters

BARCLAYS CAPITAL INC.

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Robert Stowe
Name: Robert Stowe
Title: Managing Director

By: /s/ Nevin Bhatia
Name: Nevin Bhatia
Title: Director

J.P. MORGAN SECURITIES LLC

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: /s/ Robert Battamedì
Name: Robert Battamedì
Title: Vice President

By: /s/ Shawn Cepeda
Name: Shawn Cepeda
Title: Managing Director

MUFG SECURITIES AMERICAS INC.

By: /s/ Brian Cogliandro
Name: Brian Cogliandro
Title: Managing Director
Head of U.S. Syndicate

SCHEDULE A

<u>Underwriter</u>	<u>Principal Amount of 2022 Notes</u>	<u>Principal Amount of 2027 Notes</u>	<u>Principal Amount of 2047 Notes</u>
Barclays Capital Inc.	\$ 73,500,000	\$ 110,250,000	\$ 73,500,000
Credit Suisse Securities (USA) LLC	73,500,000	110,250,000	73,500,000
J.P. Morgan Securities LLC	73,500,000	110,250,000	73,500,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	73,500,000	110,250,000	73,500,000
MUFG Securities Americas Inc.	73,500,000	110,250,000	73,500,000
Loop Capital Markets LLC	45,000,000	67,500,000	45,000,000
BB&T Capital Markets, a division of BB&T Securities, LLC	15,500,000	23,250,000	15,500,000
PNC Capital Markets LLC	15,500,000	23,250,000	15,500,000
Regions Securities LLC	15,500,000	23,250,000	15,500,000
Santander Investment Securities Inc.	15,500,000	23,250,000	15,500,000
The Williams Capital Group, L.P.	15,500,000	23,250,000	15,500,000
Academy Securities, Inc.	2,500,000	3,750,000	2,500,000
Blaylock Van, LLC	2,500,000	3,750,000	2,500,000
CastleOak Securities, L.P.	2,500,000	3,750,000	2,500,000
Samuel A. Ramirez & Company, Inc.	2,500,000	3,750,000	2,500,000
Total	\$ 500,000,000	\$ 750,000,000	\$ 500,000,000

SCHEDULE B

PRICING DISCLOSURE PACKAGE

- 1) Base Prospectus
- 2) Preliminary Prospectus Supplement dated August 7, 2017
- 3) Permitted Free Writing Prospectus
 - a) Pricing Term Sheet attached as Schedule C hereto

B-1

SCHEDULE C

*Filed pursuant to Rule 433
August 7, 2017
Relating to
Preliminary Prospectus Supplement dated August 7, 2017
to
Prospectus dated January 26, 2017
Registration Statement No. 333-213765*

Duke Energy Corporation
\$500,000,000 2.40% Senior Notes due 2022
\$750,000,000 3.15% Senior Notes due 2027
\$500,000,000 3.95% Senior Notes due 2047

Pricing Term Sheet

Issuer: Duke Energy Corporation

Trade Date: August 7, 2017

Settlement: August 10, 2017 (T+3)

Title of Securities: 2.40% Senior Notes due 2022 (the "2022 Notes")
3.15% Senior Notes due 2027 (the "2027 Notes")
3.95% Senior Notes due 2047 (the "2047 Notes" and, together with the 2022 Notes and the 2027 Notes, the "Notes")

Principal Amount: 2022 Notes: \$500,000,000
2027 Notes: \$750,000,000
2047 Notes: \$500,000,000

Interest Payment Dates: February 15 and August 15 of each year, beginning on February 15, 2018

Maturity Date: 2022 Notes: August 15, 2022
2027 Notes: August 15, 2027
2047 Notes: August 15, 2047

Benchmark Treasury: 2022 Notes: 1.875% due July 31, 2022
2027 Notes: 2.375% due May 15, 2027
2047 Notes: 3.000% due February 15, 2047

Benchmark Treasury Yield: 2022 Notes: 1.814%
2027 Notes: 2.253%
2047 Notes: 2.843%

Spread to Benchmark Treasury: 2022 Notes: +63 bps
2027 Notes: +93 bps
2047 Notes: +113 bps

Yield to Maturity: 2022 Notes: 2.444%
2027 Notes: 3.183%
2047 Notes: 3.973%

Coupon: 2022 Notes: 2.40%
2027 Notes: 3.15%
2047 Notes: 3.95%

Price to Public: 2022 Notes: 99.793% per 2022 Note
2027 Notes: 99.719% per 2027 Note
2047 Notes: 99.598% per 2047 Note

In each case, plus accrued interest, if any, from August 10, 2017.

Optional Redemption: Each series of Notes may be redeemed at any time before the applicable Par Call Date (as set forth in the table below), in whole or in part and from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on such Notes being redeemed that would be due if such Notes matured on the applicable Par Call Date (exclusive of interest accrued to the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the Preliminary Prospectus Supplement plus a number of basis points equal to the applicable Make-Whole Spread (as set forth in the table below), plus, in each case, accrued and unpaid interest on the principal amount of such Notes being redeemed to, but excluding, such redemption date.

Each series of Notes may be redeemed at any time on or after the applicable Par Call Date, in whole or in part and from time to time, at a redemption price equal to 100% of the principal amount of such series of Notes being redeemed plus accrued and unpaid interest on the principal amount of such Notes being redeemed to, but excluding, such redemption date.

<u>Series</u>	<u>Par Call Date</u>	<u>Make-Whole Spread</u>
2022 Notes	July 15, 2022	10 bps
2027 Notes	May 15, 2027	15 bps
2047 Notes	February 15, 2047	20 bps

Denominations: \$2,000 or any integral multiple of \$1,000 in excess thereof

CUSIP / ISIN: 2022 Notes: 26441C AW5 / US26441CAW55
2027 Notes: 26441C AX3 / US26441CAX39
2047 Notes: 26441C AY1 / US26441CAY12

Notices to Investors:

The following notices to investors are in addition to the notices to investors set forth under “Underwriting” in the Preliminary Prospectus Supplement.

Switzerland Selling Restrictions

We have not and will not register with the Swiss Financial Market Supervisory Authority (“FINMA”) as a foreign collective investment scheme pursuant to Article 119 of the Federal Act on Collective Investment Scheme of 23 June 2006, as amended (“CISA”), and accordingly the securities being offered pursuant to the prospectus supplement and the accompanying prospectus have not and will not be approved, and may not be licenseable, with FINMA. Therefore, the Notes have not been authorized for distribution by FINMA as a foreign collective investment scheme pursuant to Article 119 CISA and the Notes offered hereby may not be offered to the public (as this term is defined in Article 3 CISA) in or from Switzerland. The Notes may solely be offered to “qualified investors,” as this term is defined in Article 10 CISA, and in the circumstances set out in Article 3 of the Ordinance on Collective Investment Scheme of 22 November 2006, as amended (“CISO”), such that there is no public offer. Investors, however, do not benefit from protection under CISA or CISO or supervision by FINMA. The prospectus supplement and the accompanying prospectus and any other materials relating to the Notes are strictly personal and confidential to each offeree and do not constitute an offer to any other person. The prospectus supplement and the accompanying prospectus may only be used by those qualified investors to whom it has been handed out in connection with the offer described herein and may neither directly or indirectly be distributed or made available to any person or entity other than its recipients. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland or from Switzerland. The prospectus supplement and the accompanying prospectus do not constitute an issue prospectus as that term is understood pursuant to Article 652a and/or 1156 of the Swiss Federal Code of Obligations. We have not applied for a listing of the securities on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in the prospectus supplement and the accompanying prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

Joint Book-Running Managers:

Barclays Capital Inc.
Credit Suisse Securities (USA) LLC
J.P. Morgan Securities LLC
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
MUFG Securities Americas Inc.

Senior Co-Manager:

Loop Capital Markets LLC

Co-Managers: BB&T Capital Markets, a division of BB&T Securities, LLC
PNC Capital Markets LLC
Regions Securities LLC
Santander Investment Securities Inc.
The Williams Capital Group, L.P.

Junior Co-Managers: Academy Securities, Inc.
Blaylock Van, LLC
CastleOak Securities, L.P.
Samuel A. Ramirez & Company, Inc.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov.

Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Barclays Capital Inc. toll-free at (888) 603-5847, Credit Suisse Securities (USA) LLC toll-free at (800) 221-1037, J.P. Morgan Securities LLC collect at (212) 834-4533, Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at (800) 294-1322, or MUFG Securities Americas Inc. toll-free at (877) 649-6848.

Schedule D

Credit Agreement, dated as of November 18, 2011, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc. and Duke Energy Kentucky, Inc., as Borrowers, the lenders listed therein, Wells Fargo Bank, National Association, as Administrative Agent, Bank of America, N.A. and The Royal Bank of Scotland plc, as Co Syndication Agents and Bank of China, New York Branch, Barclays Bank PLC, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, Industrial and Commercial Bank of China Limited, New York Branch, JPMorgan Chase Bank, N.A. and UBS Securities LLC, as Co-Documentation Agents, as amended by Amendment No. 1 and Consent, dated as of December 18, 2013 and by Amendment No. 2 and Consent, dated as of January 30, 2015, each between Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc., Duke Energy Progress, Inc., Duke Energy Florida, Inc., the lenders party thereto, the issuing lenders party thereto and Wells Fargo Bank, National Association, and as further amended by Amendment No. 3 and Consent, dated as of March 16, 2017, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Duke Energy Progress, LLC, Duke Energy Florida, LLC, and Piedmont Natural Gas Company, Inc., the lenders party thereto, the issuing lenders party thereto, and Wells Fargo Bank, National Association.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 18, 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



Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	DUKE ENERGY INDIANA, LLC. (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-3274	DUKE ENERGY FLORIDA, LLC (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770	1-6196	PIEDMONT NATURAL GAS COMPANY, INC. (a North Carolina corporation) 4720 Piedmont Row Drive Charlotte, North Carolina 28210 704-364-3120 56-556998

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Conditions.

The information attached hereto as exhibit 99.1 provides supplemental financial information for Duke Energy Corporation and Subsidiary Registrants.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Second Quarter 2017 Statistical Supplement

SIGNATURE

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

**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC
PIEDMONT NATURAL GAS COMPANY, INC.**

Date: August 18, 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	Second Quarter 2017 Statistical Supplement



2nd Quarter 2017 Statistical Supplement

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Duke Energy and Piedmont Natural Gas

This Statistical Supplement includes results of Piedmont Natural Gas (Piedmont) subsequent to the acquisition on October 3, 2016, and should be read in conjunction with i) Duke Energy and Piedmont's combined Form 10-Q for the six months ended June 30, 2017, ii) Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2016, iii) Piedmont's Annual Report on Form 10-K for the year ended October 31, 2016, and iv) the transition report filed by Piedmont on Form 10-Q as of December 31, 2016, for the transition period from November 1, 2016 to December 31, 2016.

Segment Change

Due to the Piedmont acquisition and the sale of International Energy in the fourth quarter of 2016, Duke Energy's segment structure has been realigned to include the following segments: Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The remainder of Duke Energy's operations is presented as Other. Other now includes the results of National Methanol Company (NMC), previously included in the International Energy segment.

Prior periods have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Six Months Ended June 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Operating Revenues						
Regulated electric	\$ 10,105	\$ —	\$ —	\$ —	(74)	\$ 10,031
Regulated natural gas	—	966	—	—	(45)	921
Nonregulated electric and other	—	5	238	68	21	332
Total operating revenues	10,105	971	238	68	(98)	11,284
Operating Expenses						
Fuel used in electric generation and purchased power	3,003	—	—	29	(42)	2,990
Cost of natural gas	—	334	—	—	—	334
Operation, maintenance and other	2,536	198	135	26	(55)	2,840
Depreciation and amortization	1,451	114	77	52	—	1,694
Property and other taxes	531	56	17	7	—	611
Impairment charges	2	—	—	7	—	9
Total operating expenses	7,523	702	229	121	(97)	8,478
Gains on Sales of Other Assets and Other, net	4	—	4	11	(1)	18
Operating Income (Loss)	2,586	269	13	(42)	(2)	2,824
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	1	36	(2)	30	—	65
Other income and expenses, net	154	2	—	19	(8)	167
Total Other Income and Expenses	155	38	(2)	49	(8)	232
Interest Expense	620	52	42	273	(10)	977
Income (Loss) from Continuing Operations Before Income Taxes	2,121	255	(31)	(266)	—	2,079
Income Tax Expense (Benefit) from Continuing Operations	757	95	(81)	(100)	—	671
Income (Loss) from Continuing Operations	1,364	160	50	(166)	—	1,408
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	5	—	4
Segment Income / Other Net Expense	\$ 1,364	\$ 160	\$ 51	\$ (171)	\$ —	\$ 1,404
Loss from Discontinued Operations, net of tax						(2)
Net Income Attributable to Duke Energy Corporation						\$ 1,402
Segment income / Other Net Expense	\$ 1,364	\$ 160	\$ 51	\$ (171)	\$ —	\$ 1,404
Special Items	—	—	—	29	—	29
Adjusted Earnings^(a)	\$ 1,364	\$ 160	\$ 51	\$ (142)	\$ —	\$ 1,433

(a) See page 16 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Six Months Ended June 30, 2016 ^(a)							Duke Energy
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	International Energy	Eliminations / Adjustments		
Operating Revenues								
Regulated electric	\$ 10,090	\$ —	\$ —	\$ —	\$ —	(72)	\$ 10,018	
Regulated natural gas	—	269	—	—	—	(3)	266	
Nonregulated electric and other	—	—	226	59	—	21	306	
Total operating revenues	10,090	269	226	59	—	(54)	10,590	
Operating Expenses								
Fuel used in electric generation and purchased power	3,086	—	—	23	—	—	3,109	
Cost of natural gas	—	58	—	—	—	—	58	
Operation, maintenance and other	2,528	60	155	75	—	(51)	2,767	
Depreciation and amortization	1,410	40	62	71	—	—	1,583	
Property and other taxes	525	32	12	17	—	(1)	585	
Impairment charges	3	—	—	2	—	(1)	4	
Total operating expenses	7,552	190	229	188	—	(53)	8,106	
Gains on Sales of Other Assets and Other, net	2	—	2	11	—	—	15	
Operating Income (Loss)	2,540	79	(1)	(118)	—	(1)	2,499	
Other Income and Expenses								
Equity in earnings (losses) of unconsolidated affiliates	1	6	(2)	19	—	(1)	23	
Other income and expenses, net	139	—	—	17	—	(5)	151	
Total other income and expenses	140	6	(2)	36	—	(6)	174	
Interest Expense ^(b)	542	13	23	396	—	(7)	967	
Income (Loss) from Continuing Operations Before Income Taxes	2,138	72	(26)	(478)	—	—	1,706	
Income Tax Expense (Benefit) from Continuing Operations	770	24	(62)	(227)	—	—	505	
Income (Loss) from Continuing Operations	1,368	48	36	(251)	—	—	1,201	
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(1)	4	—	—	3	
Segment Income / Other Net Expense	\$ 1,368	\$ 48	\$ 37	\$ (255)	\$ —	\$ —	\$ 1,198	
Income from Discontinued Operations, net of tax	—	—	—	—	—	—	5	
Net Income Attributable to Duke Energy Corporation	—	—	—	—	—	—	\$ 1,203	
Segment Income / Other Net Expense	\$ 1,368	\$ 48	\$ 37	\$ (255)	\$ —	\$ —	\$ 1,198	
Special Items ^(c)	—	—	—	170	148	—	318	
Adjusted Earnings^(d)	\$ 1,368	\$ 48	\$ 37	\$ (85)	\$ 148	\$ —	\$ 1,516	

- (a) Amounts have been recast to conform to the current segment structure.
(b) Other includes \$183 million related to Piedmont acquisition financing, primarily due to losses on forward-starting interest rate swaps.
(c) International Energy amount represents the operating results of the International Disposal Group classified as discontinued operations.
(d) See page 17 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	June 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 60	\$ 15	\$ 8	\$ 215	\$ —	\$ 298
Receivables, net	380	65	10	43	—	498
Receivables of variable interest entities, net	1,854	—	26	—	—	1,880
Receivables from affiliated companies	36	16	1,148	350	(1,550)	—
Notes receivable from affiliated companies	84	22	—	1,098	(1,204)	—
Inventory	3,253	77	13	26	—	3,369
Regulatory assets	966	123	—	103	—	1,192
Other	263	89	102	20	(38)	436
Total current assets	6,896	407	1,307	1,855	(2,792)	7,673
Property, Plant and Equipment						
Cost	108,912	9,227	4,376	1,924	—	124,439
Accumulated depreciation and amortization	(36,688)	(2,133)	(648)	(1,054)	1	(40,522)
Generation facilities to be retired, net	487	—	—	—	—	487
Net property, plant and equipment	72,711	7,094	3,728	870	1	84,404
Other Noncurrent Assets						
Goodwill	17,379	1,924	122	—	—	19,425
Regulatory assets	11,586	742	—	480	—	12,808
Nuclear decommissioning trust funds	6,601	—	—	—	—	6,601
Investments in equity method unconsolidated affiliates	95	879	185	107	1	1,267
Investments and advances to (from) subsidiaries	237	6	8	55,009	(55,260)	—
Other	1,930	28	112	1,393	(637)	2,826
Total other noncurrent assets	37,828	3,579	427	56,989	(55,896)	42,927
Total Assets	117,435	11,080	5,462	59,714	(58,687)	135,004
Segment reclassifications, intercompany balances and other	(426)	(7)	(1,156)	(57,279)	58,868	—
Segment Assets	\$ 117,009	\$ 11,073	\$ 4,306	\$ 2,435	\$ 181	\$ 135,004

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	June 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 1,644	\$ 185	\$ 20	\$ 328	\$ —	\$ 2,177
Accounts payable to affiliated companies	365	68	8	1,085	(1,526)	—
Notes payable to affiliated companies	996	167	—	51	(1,214)	—
Notes payable and commercial paper	—	—	—	3,487	1	3,488
Taxes accrued	460	31	(309)	250	—	432
Interest accrued	336	35	—	135	—	506
Current maturities of long-term debt	1,831	35	157	1,449	—	3,472
Asset retirement obligations	397	—	—	—	—	397
Regulatory liabilities	281	—	—	5	—	286
Other	1,234	72	48	407	(53)	1,708
Total current liabilities	7,544	593	(76)	7,197	(2,792)	12,466
Long-Term Debt	28,046	2,559	1,557	13,881	—	46,043
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	16,259	1,526	342	(3,432)	—	14,695
Asset retirement obligations	10,033	43	88	1	—	10,165
Regulatory liabilities	6,271	750	—	28	(1)	7,048
Accrued pension and other post-retirement benefit costs	720	31	—	357	—	1,108
Investment tax credits	531	3	—	—	—	534
Other	831	223	269	328	—	1,651
Total other noncurrent liabilities	34,645	2,576	699	(2,718)	(1)	35,201
Equity						
Total Duke Energy Corporation stockholders' equity	46,582	5,345	3,255	41,362	(55,260)	41,284
Noncontrolling interests	—	—	18	(8)	—	10
Total equity	46,582	5,345	3,273	41,354	(55,260)	41,294
Total Liabilities and Equity	117,435	11,080	5,462	59,714	(58,687)	135,004
Segment reclassifications, intercompany balances and other	(426)	(7)	(1,156)	(57,279)	58,868	—
Segment Liabilities and Equity	\$ 117,009	\$ 11,073	\$ 4,306	\$ 2,435	\$ 181	\$ 135,004

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 3,445	\$ 2,418	\$ 2,150	\$ 665	\$ 1,500	\$ —	\$ (73)	\$ 10,105
Operating Expenses								
Fuel used in electric generation and purchased power	863	739	817	183	485	—	(84)	3,003
Operation, maintenance and other	932	668	386	188	362	1	(1)	2,536
Depreciation and amortization	523	354	269	88	216	—	1	1,451
Property and other taxes	139	80	166	109	37	—	—	531
Impairment charges	—	—	2	1	(1)	—	—	2
Total operating expenses	2,457	1,841	1,640	569	1,099	1	(84)	7,523
Gains on Sales of Other Assets and Other, net	—	3	—	1	—	—	—	4
Operating Income (Loss)	988	580	510	97	401	(1)	11	2,586
Other Income and Expenses, net^(b)	73	33	30	6	18	2	(7)	155
Interest Expense	206	152	140	31	88	—	3	620
Income Before Income Taxes	855	461	400	72	331	1	1	2,121
Income Tax Expense	300	153	147	26	131	—	—	757
Segment Income	\$ 555	\$ 308	\$ 253	\$ 46	\$ 200	\$ 1	\$ 1	\$ 1,364

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$59 million for Duke Energy Carolinas, \$26 million for Duke Energy Progress, \$22 million for Duke Energy Florida, \$4 million for Duke Energy Ohio, and \$12 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2016 ^(a)							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(b)	Duke Energy Indiana	Commercial Transmission	Eliminations / Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 3,416	\$ 2,520	\$ 2,157	\$ 663	\$ 1,416	\$ —	\$ (82)	\$ 10,090
Operating Expenses								
Fuel used in electric generation and purchased power	810	872	841	211	448	—	(96)	3,086
Operation, maintenance and other	946	684	391	161	342	2	2	2,528
Depreciation and amortization	523	346	235	85	221	—	—	1,410
Property and other taxes	138	80	159	103	44	—	1	525
Impairment charges	—	—	3	—	—	—	—	3
Total operating expenses	2,417	1,982	1,629	560	1,055	2	(93)	7,552
Gains on Sales of Other Assets and Other, net	—	1	—	—	—	—	1	2
Operating Income (Loss)	999	539	528	103	361	(2)	12	2,540
Other Income and Expenses, net^(c)	82	29	18	2	9	2	(2)	140
Interest Expense	214	127	81	27	90	—	3	542
Income Before Income Taxes	867	441	465	78	280	—	7	2,138
Income Tax Expense	301	157	175	23	93	—	21	770
Segment Income	\$ 566	\$ 284	\$ 290	\$ 55	\$ 187	\$ —	\$ (14)	\$ 1,368

(a) Amounts have been recast to conform to the current segment structure.

(b) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(c) Includes an equity component of allowance for funds used during construction of \$48 million for Duke Energy Carolinas, \$20 million for Duke Energy Progress, \$9 million for Duke Energy Florida, \$2 million for Duke Energy Ohio, and \$7 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	June 30, 2017								
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure	
Current Assets									
Cash and cash equivalents	\$ 16	\$ 12	\$ 8	\$ 7	\$ 17	\$ —	\$ —	\$ 60	
Receivables, net	165	32	61	74	45	—	3	380	
Receivables of variable interest entities, net	611	422	354	—	—	—	467	1,854	
Receivables from affiliated companies	85	5	1	43	87	2	(187)	36	
Notes receivable from affiliated companies	—	—	230	38	19	—	(203)	84	
Inventory	1,066	1,053	568	95	470	—	1	3,253	
Regulatory assets	249	212	321	6	159	—	19	966	
Other	34	73	50	17	88	—	1	263	
Total current assets	2,226	1,809	1,593	280	885	2	101	6,896	
Property, Plant and Equipment									
Cost	41,881	28,936	17,369	5,550	14,573	4	599	108,912	
Accumulated depreciation and amortization	(14,632)	(10,734)	(4,910)	(1,918)	(4,484)	(1)	(9)	(36,688)	
Generation facilities to be retired, net	—	487	—	—	—	—	—	487	
Net property, plant and equipment	27,249	18,689	12,459	3,632	10,089	3	590	72,711	
Other Noncurrent Assets									
Goodwill	—	—	—	596	—	—	16,783	17,379	
Regulatory assets	3,060	3,379	2,474	357	1,100	—	1,216	11,586	
Nuclear decommissioning trust funds	3,499	2,380	723	—	—	—	(1)	6,601	
Investments in equity method unconsolidated affiliates	—	—	—	—	—	94	1	95	
Investments and advances to (from) subsidiaries	47	11	3	173	3	—	—	237	
Other	929	536	279	17	159	—	10	1,930	
Total other noncurrent assets	7,535	6,306	3,479	1,143	1,262	94	18,009	37,828	
Total Assets	37,010	26,804	17,531	5,055	12,236	99	18,700	117,435	
Intercompany balances and other	(180)	(95)	(202)	(176)	(50)	(55)	332	(426)	
Reportable Segment Assets	\$ 36,830	\$ 26,709	\$ 17,329	\$ 4,879	\$ 12,186	\$ 44	\$ 19,032	\$ 117,009	

(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)	June 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Liabilities								
Accounts payable	\$ 639	\$ 277	\$ 372	\$ 183	\$ 171	\$ —	\$ 2	\$ 1,644
Accounts payable to affiliated companies	127	169	42	10	50	55	(88)	365
Notes payable to affiliated companies	534	633	—	22	—	—	(193)	996
Taxes accrued	166	61	113	84	29	1	6	460
Interest accrued	104	101	58	15	59	—	(1)	336
Current maturities of long-term debt	704	203	819	1	3	—	101	1,831
Asset retirement obligations	227	170	—	—	—	—	—	397
Regulatory liabilities	115	113	7	10	36	—	—	281
Other	409	308	323	74	122	—	(2)	1,234
Total current liabilities	3,025	2,035	1,734	399	470	56	(175)	7,544
Long-Term Debt	8,520	6,407	6,160	1,490	3,631	—	1,838	28,046
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618
Other Noncurrent Liabilities								
Deferred income taxes	6,786	3,546	2,895	1,005	2,013	4	10	16,259
Asset retirement obligations	3,644	4,520	768	46	865	—	190	10,033
Regulatory liabilities	2,885	2,048	462	131	745	—	—	6,271
Accrued pension and other post-retirement benefit costs	103	246	258	36	77	—	—	720
Investment tax credits	235	145	3	1	148	—	(1)	531
Other	573	48	99	93	23	—	(5)	831
Total other noncurrent liabilities	14,226	10,553	4,485	1,312	3,871	4	194	34,645
Equity	10,939	7,659	5,152	1,836	4,114	39	16,843	46,582
Total Liabilities and Equity	37,010	26,804	17,531	5,055	12,236	99	18,700	117,435
Intercompany balances and other	(180)	(95)	(202)	(176)	(50)	(55)	332	(426)
Reportable Segment Liabilities and Equity	\$ 36,830	\$ 26,709	\$ 17,329	\$ 4,879	\$ 12,186	\$ 44	\$ 19,032	\$ 117,009

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues					
Regulated natural gas	\$ 270	\$ 696	\$ —	\$ —	\$ 966
Nonregulated natural gas and other	—	5	—	—	5
Operating Revenues	270	701	—	—	971
Operating Expenses					
Cost of natural gas	64	270	—	—	334
Operation, maintenance and other	57	141	2	(2)	198
Depreciation and amortization	42	71	—	1	114
Property and other taxes	31	25	—	—	56
Total operating expenses	194	507	2	(1)	702
Operating Income (Loss)	76	194	(2)	1	269
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	36	—	36
Other income and expenses, net	2	—	—	—	2
Total other income and expenses	2	—	36	—	38
Interest Expense	13	38	—	1	52
Income Before Income Taxes	65	156	34	—	255
Income Tax Expense	23	59	13	—	95
Segment Income	\$ 42	\$ 97	\$ 21	\$ —	\$ 160

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Six Months Ended June 30, 2016			
	Duke Energy Ohio ^(a)	Midstream Pipelines	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 269	\$ —	\$ —	\$ 269
Operating Expenses				
Cost of natural gas	58	—	—	58
Operation, maintenance and other	59	1	—	60
Depreciation and amortization	40	—	—	40
Property and other taxes	32	—	—	32
Total operating expenses	189	1	—	190
Operating Income (Loss)	80	(1)	—	79
Other Income and Expenses, net	—	6	—	6
Interest Expense	13	—	—	13
Income Before Income Taxes	67	5	—	72
Income Tax Expense	22	2	—	24
Segment Income	\$ 45	\$ 3	\$ —	\$ 48

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	June 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ 2	\$ 13	\$ —	\$ —	\$ 15
Receivables, net	(15)	80	—	—	65
Receivables from affiliated companies	16	53	—	(53)	16
Notes receivable from affiliated companies	25	—	—	(3)	22
Inventory	39	38	—	—	77
Regulatory assets	4	119	—	—	123
Other	(1)	88	—	2	89
Total current assets	70	391	—	(54)	407
Property, Plant and Equipment					
Cost	2,797	6,430	—	—	9,227
Accumulated depreciation and amortization	(708)	(1,425)	—	—	(2,133)
Net property, plant and equipment	2,089	5,005	—	—	7,094
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	195	345	—	202	742
Investments in equity method unconsolidated affiliates	—	—	879	—	879
Investments and advances from subsidiaries	—	—	—	6	6
Other	3	13	13	(1)	28
Total other noncurrent assets	522	407	892	1,758	3,579
Total Assets	2,681	5,803	892	1,704	11,080
Intercompany balances and other	(9)	(68)	(26)	96	(7)
Reportable Segment Assets	\$ 2,672	\$ 5,735	\$ 866	\$ 1,800	\$ 11,073

- (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)	June 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 80	\$ 105	\$ —	\$ —	\$ 185
Accounts payable to affiliated companies	—	57	63	(52)	68
Notes payable to affiliated companies	2	167	—	(2)	167
Taxes accrued	(9)	6	34	—	31
Interest accrued	5	30	—	—	35
Current maturities of long-term debt	—	35	—	—	35
Regulatory liabilities	7	(6)	—	(1)	—
Other	4	69	—	(1)	72
Total current liabilities	89	463	97	(56)	593
Long-Term Debt	461	1,911	—	187	2,559
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	495	992	40	(1)	1,526
Asset retirement obligations	29	15	—	(1)	43
Regulatory liabilities	109	625	—	16	750
Accrued pension and other post-retirement benefit costs	17	14	—	—	31
Investment tax credits	2	1	—	—	3
Other	61	162	—	—	223
Total other noncurrent liabilities	713	1,809	40	14	2,576
Equity	1,411	1,620	755	1,559	5,345
Total Liabilities and Equity	2,681	5,803	892	1,704	11,080
Intercompany balances and other	(9)	(68)	(26)	96	(7)
Reportable Segment Liabilities and Equity	\$ 2,672	\$ 5,735	\$ 866	\$ 1,794	\$ 11,073

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

**Revenues By Customer Class
(Unaudited)**

(in millions)	Six Months Ended June 30, 2017								Total
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Piedmont Natural Gas	Eliminations / Adjustments		
Regulated Electric Revenues									
Residential	\$ 1,302	\$ 846	\$ 1,103	\$ 348	\$ 497	\$ —	\$ —	\$ —	\$ 4,096
General service	1,029	594	665	211	372	—	—	—	2,871
Industrial	562	299	125	59	381	—	—	—	1,426
Wholesale	230	544	74	13	155	—	—	—	1,016
Change in unbilled	(4)	(5)	36	(5)	(6)	—	—	—	16
Other revenues	326	140	147	39	101	—	(73)	—	680
Total Electric Revenues	\$ 3,445	\$ 2,418	\$ 2,150	\$ 665	\$ 1,500	\$ —	\$ (73)	\$ —	\$ 10,105
Regulated Natural Gas Revenues									
Residential	\$ —	\$ —	\$ —	\$ 191	\$ —	\$ 398	\$ —	\$ —	\$ 589
Commercial	—	—	—	78	—	215	—	—	293
Industrial	—	—	—	11	—	68	—	—	79
Power Generation	—	—	—	—	—	40	—	—	40
Change in unbilled	—	—	—	(22)	—	(75)	—	—	(97)
Other revenues	—	—	—	12	—	50	—	—	62
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 270	\$ —	\$ 696	\$ —	\$ —	\$ 966

(in millions)	Six Months Ended June 30, 2016							Total
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Eliminations / Adjustments		
Regulated Electric Revenues								
Residential	\$ 1,398	\$ 900	\$ 1,100	\$ 356	\$ 476	\$ —	\$ —	\$ 4,230
General service	1,071	622	642	215	344	—	—	2,894
Industrial	604	303	123	59	349	—	—	1,438
Wholesale	217	593	104	9	171	—	—	1,094
Change in unbilled	73	20	35	8	13	—	—	149
Other revenues	53	82	153	16	63	(82)	—	285
Total Electric Revenues	\$ 3,416	\$ 2,520	\$ 2,157	\$ 663	\$ 1,416	\$ (82)	\$ —	\$ 10,090
Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 183	\$ —	\$ —	\$ —	\$ 183
Commercial	—	—	—	75	—	—	—	75
Industrial	—	—	—	10	—	—	—	10
Change in unbilled	—	—	—	(9)	—	—	—	(9)
Other revenues	—	—	—	10	—	—	—	10
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 269	\$ —	\$ —	\$ —	\$ 269

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

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

	Reported Earnings	Special Item Costs to Achieve Piedmont Merger	Discontinued Operations	Total Adjustments	Adjusted Earnings
<i>SEGMENT INCOME</i>					
Electric Utilities and Infrastructure	\$ 1,364	\$ —	\$ —	\$ —	\$ 1,364
Gas Utilities and Infrastructure	160	—	—	—	160
Commercial Renewables	51	—	—	—	51
Total Reportable Segment Income	1,575	—	—	—	1,575
Other	(171)	29 A	—	29	(142)
Discontinued Operations	(2)	—	2 B	2	—
Net Income Attributable to Duke Energy Corporation	\$ 1,402	\$ 29	\$ 2	\$ 31	\$ 1,433
<i>EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED</i>	\$ 2.00	\$ 0.05	\$ —	\$ 0.05	\$ 2.05

A - Net of \$17 million tax benefit. \$45 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

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

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 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	International Energy Operations			
SEGMENT INCOME							
Electric Utilities and Infrastructure	\$ 1,368	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,368
Gas Utilities and Infrastructure	48	—	—	—	—	—	48
Commercial Renewables	37	—	—	—	—	—	37
Total Reportable Segment Income	1,453	—	—	—	—	—	1,453
International Energy	—	—	—	148 C	—	148	148
Other	(255)	143 A	27 B	—	—	170	(85)
Discontinued Operations	5	—	—	(148) C	143 D	(5)	—
Net Income Attributable to Duke Energy Corporation	\$ 1,203	\$ 143	\$ 27	\$ —	\$ 143	\$ 313	\$ 1,516
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.74	\$ 0.21	\$ 0.04	\$ —	\$ 0.21	\$ 0.46	\$ 2.20

- A** - Net of \$88 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$47 million recorded within Operating Expenses and \$183 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.
- B** - Net of \$17 million tax benefit. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.
- C** - Includes \$4 million tax benefit. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.
- D** - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 689 million

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS.

Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items represent certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation and Diluted EPS Attributable to Duke Energy Corporation common stockholders, respectively.

Special items included in the periods presented include the following items which management believes do not reflect ongoing costs:

- Costs to Achieve Mergers represent charges resulting from strategic acquisitions.
- Cost Savings Initiatives represents severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.

Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

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

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 24, 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§230.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On August 24, 2017, director Michael J. Angelakis notified Duke Energy Corporation (the "Corporation") that effective August 25, 2017, he would resign from the Corporation's Board of Directors due to increased external business commitments. Mr. Angelakis' resignation was not the result of any disagreement with the Corporation on any matter relating to the operation, policies or practices of 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: August 24, 2017

Name: /s/ Julia S. Janson
Title: Julia S. Janson
Executive Vice President, Executive Affairs, 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): November 3, 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Conditions.

On November 3, 2017, Duke Energy Corporation will issue and post a news release to its website (www.Duke-Energy.com/investors) announcing its financial results for the third quarter ended September 30, 2017. 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 to be issued by Duke Energy Corporation on November 3, 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: November 3, 2017

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	<u>News Release to be issued by Duke Energy Corporation on November 3, 2017</u>



News Release

Media Contact: Catherine Butler
24-Hour: 800.559.3853

Analysts: Mike Callahan
Office: 704.382.0459

Nov. 3, 2017

Duke Energy reports third quarter 2017 financial results

- **Third quarter 2017 GAAP reported diluted earnings per share (EPS) was \$1.36 compared to \$1.70 in 2016; adjusted diluted EPS was \$1.59 for the third quarter of 2017 compared to \$1.68 for the third quarter of 2016**
- **Company restores power in just over a week to nearly 1.5 million customers impacted by Hurricane Irma**
- **Constructive regulatory settlement approved in Duke Energy Florida paving the way for grid modernization and significant investments in solar energy**
- **Company narrows its 2017 adjusted diluted earnings guidance range to \$4.50 to \$4.60 per share, and reaffirms long-term earnings growth expectation of 4 to 6 percent off original 2017 midpoint of \$4.60**

CHARLOTTE, N.C. - Duke Energy today announced third quarter 2017 reported diluted EPS, prepared in accordance with Generally Accepted Accounting Principles (GAAP) of \$1.36, compared to \$1.70 for the third quarter of 2016. Duke Energy's third quarter 2017 adjusted diluted EPS was \$1.59, compared to \$1.68 for the third quarter of 2016.

Adjusted diluted EPS excludes the impact of certain items included in GAAP reported diluted EPS. Amounts excluded from adjusted diluted EPS in the third quarter 2017 are an impairment charge related to the canceled Levy nuclear project based on a Florida settlement agreement, Commercial Renewables impairments and costs to achieve the Piedmont Natural Gas merger.

Adjusted diluted EPS for the third quarter of 2017 was lower than the prior year, primarily due to less favorable weather and the absence of earnings from International Energy. Partially offsetting these drivers were lower income tax expense, higher retail revenues from increased pricing and riders and ongoing cost management efforts.

Based upon the results through the third quarter, the company is narrowing its 2017 adjusted diluted earnings guidance range to \$4.50 to \$4.60 per share.

"The hallmark of this quarter was resilience. In the face of unfavorable weather and the destructive force of Hurricane Irma, we continued to deliver on our financial commitments for the year through focused cost control," said Lynn Good, Duke Energy chairman, president and CEO. "Hurricane Irma was a devastating storm, but our employees responded admirably, restoring power in just over a week to more than 1.5 million Florida and Carolinas customers.

“The third quarter was also marked by strong execution of our strategic initiatives. Building upon our constructive relationships with our stakeholders, the approved settlement agreement in Florida allows the company to advance our investments in grid modernization and cleaner generation. We also received the FERC certificate for the Atlantic Coast Pipeline, an important milestone for the project, and we look forward to beginning construction later this year.”

Business segment results

In addition to the following summary of third quarter 2017 business segment performance, comprehensive tables with detailed earnings per share drivers for the quarter and the year-to-date, compared to prior year, are provided on pages 19 and 20.

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 9 through 12 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. 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 third quarter 2017 segment income of \$1,020 million, compared to segment income of \$1,189 million in the third quarter of 2016. In addition to the drivers outlined below, third quarter 2017 quarterly results were impacted by an \$84 million after-tax impairment charge related to the Florida settlement agreement. This charge was treated as a special item and therefore excluded from adjusted earnings.

On an adjusted basis, Electric Utilities and Infrastructure recognized third quarter 2017 adjusted segment income of \$1,104 million, compared to adjusted segment income of \$1,189 million in the third quarter of 2016, a decrease of \$0.12 per share, excluding share dilution of \$0.02 per share.

Lower quarterly results at Electric Utilities and Infrastructure were primarily driven by less favorable weather (\$-0.14 per share), including the lost revenue associated with Hurricane Irma, and higher depreciation and amortization expense (-\$0.02 per share). These unfavorable drivers were partially offset by increased pricing and riders (+\$0.04 per share) and lower operations and maintenance expense (+\$0.01 per share), which includes storm costs associated with Hurricane Irma (-\$0.03 per share).

Gas Utilities and Infrastructure

On a reported and adjusted basis, Gas Utilities and Infrastructure recognized third quarter segment income of \$19 million, compared to \$15 million in the third quarter of 2016, an increase of \$0.01 per share.

Higher quarterly results at Gas Utilities and Infrastructure were driven by higher earnings from investments in the Atlantic Coast Pipeline (+\$0.01 per share).

Commercial Renewables

On a reported basis, Commercial Renewables recognized a third quarter 2017 segment loss of \$49 million, compared to a segment loss of \$24 million in the third quarter of 2016. In addition to the drivers outlined below, quarterly results were impacted by impairment charges associated with certain renewables investments. These charges were treated as special items and therefore excluded from adjusted earnings.

On an adjusted basis, Commercial Renewables recognized third quarter 2017 segment income of \$7 million, compared to \$21 million in the third quarter of 2016, a decrease of \$0.02 per share primarily due to lower investment tax credits (ITCs) within the solar portfolio (-\$0.01 per share) and higher interest expense (-\$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 including NMC, an equity method investment.

On a reported basis, Other recognized third quarter 2017 net expense of \$34 million, compared to net expense of \$181 million in the third quarter of 2016. In addition to the drivers outlined below, quarterly results were impacted by costs to achieve mergers. These charges are treated as a special item and, therefore, excluded from adjusted earnings.

On an adjusted basis, Other recognized third quarter 2017 adjusted net expense of \$20 million, compared to adjusted net expense of \$117 million in the third quarter of 2016, an increase of \$0.14 per share. Higher quarterly results at Other were driven by lower income tax expense primarily due to unfavorable tax adjustments in the prior year (+\$0.07 per share), favorable tax planning (+\$0.03 per share), a favorable litigation settlement (+\$0.02 per share), and lower claims at the captive insurer (+\$0.01 per share). These positive drivers were partially offset by higher interest expense at the holding company, primarily resulting from the Piedmont Natural Gas acquisition financing (-\$0.04 per share).

Duke Energy's consolidated reported effective tax rate for the third quarter of 2017 was 27.6 percent, compared to 34.0 percent in the third quarter of 2016. The consolidated adjusted effective tax rate for third quarter 2017 was 28.9 percent, compared to 33.5 percent in 2016. Adjusted effective tax rate is a non-GAAP financial measure. The tables on page 13 present a reconciliation of the GAAP reported effective tax rate to the adjusted effective tax rate.

Discontinued Operations

Duke Energy's third quarter 2016 Income from Discontinued Operations included the operating results of the International Disposal Group of \$55 million which were included in adjusted earnings, as well as a tax benefit related to previously sold businesses not related to the International Disposal Group.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today to discuss the third quarter 2017 financial results 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 888-339-3513 in the United States or 719-457-2683 outside the United States. The confirmation code is 8614622. 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. 13, 2017, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code 8614622. 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 table presents a reconciliation of GAAP reported to adjusted diluted EPS for third quarter 2017 and 2016 financial results:

(In millions, except per-share amounts)	After-Tax Amount	3Q 2017 EPS	3Q 2016 EPS
Diluted EPS, as reported		\$ 1.36	\$ 1.70
Adjustments to reported EPS:			
Third Quarter 2017			
Costs to achieve Piedmont merger	\$ 14	0.03	
Florida settlement	84	0.12	
Commercial renewables impairments	56	0.08	
Discontinued operations	2	—	
Third Quarter 2016			
Costs to achieve mergers	52		0.07
Cost savings initiatives	12		0.02
Commercial renewables impairment	45		0.07
Discontinued operations ^(a)	(122)		(0.18)
Total adjustments		\$ 0.23	\$ (0.02)
Diluted EPS, adjusted		\$ 1.59	\$ 1.68

(a) Represents a tax benefit related to previously sold businesses not related to the International Disposal Group.

Non-GAAP financial measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS.

Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items represent certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation (GAAP Reported Earnings) and Diluted EPS Attributable to Duke Energy Corporation common stockholders (GAAP Reported EPS), respectively.

Special items included in the periods presented include the following items which management believes do not reflect ongoing costs:

- Costs to Achieve Mergers represent charges that result from strategic acquisitions.
- Cost Savings Initiatives represent severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.
- Commercial Renewables Impairments represents other-than-temporary and asset impairments.
- Florida Settlement represents an impairment charge related to the Levy nuclear project based on a settlement agreement approved by regulators.

Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted

segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.

Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

Headquartered in Charlotte, N.C., Duke Energy is one of the largest energy holding companies in the United States. Its Electric Utilities and Infrastructure business unit serves approximately 7.5 million customers located in six states in the Southeast and Midwest. The company's Gas Utilities and Infrastructure business unit distributes natural gas to approximately 1.6 million customers in the Carolinas, Ohio, Kentucky and Tennessee. Its Commercial Renewables business unit operates a growing renewable energy portfolio across the United States.

Duke Energy is a Fortune 125 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 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, including those related to climate change, as well as rulings that affect cost and investment

recovery or have an impact on rate structures or market prices; the extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; the ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; the costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; costs and effects of legal and administrative proceedings, settlements, investigations and claims; industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies; federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy's service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; advancements in technology; additional competition in electric and natural gas markets and continued industry consolidation; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; the ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; the ability to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; operational interruptions to our gas distribution and transmission activities; the availability of adequate interstate pipeline transportation capacity and natural gas supply; the impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, and other catastrophic events such as fires, explosions, pandemic health events or other similar occurrences; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third party service providers; the timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; the results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations and general economic conditions; the credit ratings may be different from what the company and its subsidiaries expect; declines in the market prices of equity and fixed income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans, and nuclear decommissioning trust funds; construction and development risks associated with the completion of Duke Energy and its subsidiaries' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and

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environmental performance standards, as well as the ability to recover costs from customers in a timely manner or at all; changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; the ability to control operation and maintenance costs; the level of creditworthiness of counterparties to transactions; employee workforce factors, including the potential inability to attract and retain key personnel; the ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; substantial revision to the U.S. tax code, such as changes to the corporate tax rate or a material change in the deductibility of interest; the impact of potential goodwill impairments; the ability to successfully complete future merger, acquisition or divestiture plans; the ability to successfully integrate the natural gas businesses following the acquisition of Piedmont Natural Gas Company, Inc. and realize anticipated benefits; and the ability to implement our business strategy.

Additional risks and uncertainties are identified and discussed in Duke Energy's and its subsidiaries' reports filed with the SEC and available at the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made; Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

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

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

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

C - Net of \$28 million tax benefit. \$74 million recorded within Impairment charges and \$10 million recorded within Other Income and Expenses on the Condensed Consolidated Statements of Operations.

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

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

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

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

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

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

C - Net of \$28 million tax benefit. \$74 million recorded within Impairment charges and \$10 million recorded within Other Income and Expenses on the Condensed Consolidated Statements of Operations.

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

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

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

	Special Items							Adjusted Earnings
	Reported Earnings	Costs to Achieve Mergers	Cost Savings Initiatives	Commercial Renewables Impairment	International Energy Operations	Discontinued Operations	Total Adjustments	
SEGMENT INCOME (LOSS)								
Electric Utilities and Infrastructure	\$ 1,189	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,189
Gas Utilities and Infrastructure	15	—	—	—	—	—	—	15
Commercial Renewables	(24)	—	—	45 C	—	—	45	21
Total Reportable Segment Income	1,180	—	—	45	—	—	45	1,225
International Energy	—	—	—	—	55 D	—	55	55
Other	(181)	52 A	12 B	—	—	—	64	(117)
Discontinued Operations	177	—	—	—	(55) D	(122) E	(177)	—
Net Income Attributable to Duke Energy Corporation	\$ 1,176	\$ 52	\$ 12	\$ 45	\$ —	\$ (122)	\$ (13)	\$ 1,163
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. Consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.
- C** - Net of \$26 million tax benefit. Other-than-temporary impairment included within Equity in earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations.
- D** - Net of \$5 million tax expense. Operating results of the International Disposal Group recorded within (Loss) Income From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.
- E** - Tax benefit related to previously sold businesses not related to the International Disposal Group recorded within (Loss) Income From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.

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

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

	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	\$ 2,557	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,557
Gas Utilities and Infrastructure	63	—	—	—	—	—	—	63
Commercial Renewables	13	—	—	45 C	—	—	45	58
Total Reportable Segment Income	2,633	—	—	45	—	—	45	2,678
International Energy Operations	—	—	—	—	203 D	—	203	203
Other	(436)	195 A	39 B	—	—	—	234	(202)
Discontinued Operations	182	—	—	—	(203) D	21 E	(182)	—
Net Income Attributable to Duke Energy Corporation	\$ 2,379	\$ 195	\$ 39	\$ 45	\$ —	\$ 21	\$ 300	\$ 2,679
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.44	\$ 0.28	\$ 0.06	\$ 0.07	\$ —	\$ 0.03	\$ 0.44	\$ 3.88

A - Net of \$120 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$80 million recorded within Operating Expenses and \$234 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.

B - Net of \$24 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

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

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

E - Recorded within (Loss) Income From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America, partially offset by a tax benefit related to previously sold businesses not related to the International Disposal Group.

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

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

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

*Adjusted effective tax rate is a non-GAAP financial measure as the rate is calculated using pretax earnings and income tax expense, both adjusted for the impact of special items. The most directly comparable GAAP measure for adjusted effective tax rate is reported effective tax rate, which includes the impact of special items.

September 2017
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions, except per-share amounts and where noted)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Earnings Per Share - Basic and Diluted				
Income from continuing operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ 1.36	\$ 1.44	\$ 3.37	\$ 3.19
Diluted	\$ 1.36	\$ 1.44	\$ 3.37	\$ 3.18
Income (Loss) from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ —	\$ 0.26	\$ (0.01)	\$ 0.26
Diluted	\$ —	\$ 0.26	\$ (0.01)	\$ 0.26
Net income attributable to Duke Energy Corporation common stockholders				
Basic	\$ 1.36	\$ 1.70	\$ 3.36	\$ 3.45
Diluted	\$ 1.36	\$ 1.70	\$ 3.36	\$ 3.44
Weighted average shares outstanding				
Basic	700	689	700	689
Diluted	700	691	700	690
INCOME (LOSS) BY BUSINESS SEGMENT				
Electric Utilities and Infrastructure ^(a)	\$ 1,020	\$ 1,189	\$ 2,384	\$ 2,557
Gas Utilities and Infrastructure ^(b)	19	15	179	63
Commercial Renewables ^(c)	(49)	(24)	2	13
Total Reportable Segment Income	990	1,180	2,565	2,633
Other ^{(d)(e)(f)}	(34)	(181)	(205)	(436)
(Loss) Income from Discontinued Operations ^{(g)(h)}	(2)	177	(4)	182
Net Income Attributable to Duke Energy Corporation	\$ 954	\$ 1,176	\$ 2,356	\$ 2,379
CAPITALIZATION				
Total Common Equity (%)			44%	45%
Total Debt (%)			56%	55%
Total Debt			\$ 53,313	\$ 49,392
Book Value Per Share			\$ 59.49	\$ 58.85
Actual Shares Outstanding			700	689
CAPITAL AND INVESTMENT EXPENDITURES				
Electric Utilities and Infrastructure	\$ 1,681	\$ 1,637	\$ 5,126	\$ 4,595
Gas Utilities and Infrastructure	271	109	877	277
Commercial Renewables	7	120	76	429
Other ⁽ⁱ⁾	35	55	132	149
Total Capital and Investment Expenditures	\$ 1,994	\$ 1,921	\$ 6,211	\$ 5,450

Note: Prior period amounts have been recast to conform to the current segment structure.

(a) Includes an impairment charge related to the Florida settlement agreement of \$84 million (net of tax of \$51 million) to write off Levy nuclear plant charges for the three and nine months ended September 30, 2017.

(b) Includes \$(5) million and \$95 million of Piedmont's earnings for the three and nine months ended September 30, 2017, respectively.

(c) Includes an impairment charge of \$56 million (net of tax of \$28 million) for the three and nine months ended September 30, 2017.

(d) Includes costs to achieve the Piedmont merger of \$14 million (net of tax of \$9 million) for the three months ended September 30, 2017, and \$43 million (net of tax of \$26 million) for the nine months ended September 30, 2017.

(e) Includes costs to achieve mergers of \$52 million (net of tax of \$32 million) for the three months ended September 30, 2016, and \$195 million (net of tax of \$120 million) for the nine months ended September 30, 2016.

(f) Includes a charge of \$12 million (net of tax of \$7 million) for the three months ended September 30, 2016, and \$39 million (net of tax of \$24 million) for the nine months ended September 30, 2016, primarily consisting of severance expense related to cost savings initiatives.

(g) Includes an impairment charge related to certain assets in Central America, partially offset by the operating results of the International Disposal Group for the nine months ended September 30, 2016.

(h) Includes a tax benefit related to previously sold businesses not related to the International Disposal Group for the three and nine months ended September 30, 2016.

(i) Includes capital expenditures of the International Disposal Group prior to the sale for the three and nine months ended September 30, 2016.

September 2017
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
ELECTRIC UTILITIES AND INFRASTRUCTURE				
Operating Revenues	\$ 6,129	\$ 6,340	\$ 16,234	\$ 16,430
Operating Expenses				
Fuel used in electric generation and purchased power	1,872	2,016	4,875	5,102
Operation, maintenance and other	1,297	1,291	3,833	3,819
Depreciation and amortization	777	729	2,228	2,139
Property and other taxes	277	274	808	799
Impairment charges	132	9	134	12
Total operating expenses	4,355	4,319	11,878	11,871
Gains on Sales of Other Assets and Other, net	—	1	4	3
Operating Income	1,774	2,022	4,360	4,562
Other Income and Expenses	67	75	222	215
Interest Expense	305	287	925	829
Income Before Income Taxes	1,536	1,810	3,657	3,948
Income Tax Expense	516	621	1,273	1,391
Segment Income	\$ 1,020	\$ 1,189	\$ 2,384	\$ 2,557
GAS UTILITIES AND INFRASTRUCTURE				
Operating Revenues	\$ 272	\$ 89	\$ 1,243	\$ 358
Operating Expenses				
Cost of natural gas	68	6	402	64
Operation, maintenance and other	93	30	291	90
Depreciation and amortization	57	19	171	59
Property and other taxes	25	12	81	44
Total operating expenses	243	67	945	257
Operating Income	29	22	298	101
Other Income and Expenses	22	7	60	13
Interest Expense	26	6	78	19
Income Before Income Taxes	25	23	280	95
Income Tax Expense	6	8	101	32
Segment Income	\$ 19	\$ 15	\$ 179	\$ 63
COMMERCIAL RENEWABLES				
Operating Revenues	\$ 95	\$ 139	\$ 333	\$ 365
Operating Expenses				
Operation, maintenance and other	56	98	191	253
Depreciation and amortization	39	34	116	96
Property and other taxes	9	8	26	20
Impairment charges	76	—	76	—
Total operating expenses	180	140	409	369
Gains on Sales of Other Assets and Other, net	1	2	5	4
Operating (Loss) Income	(84)	1	(71)	—
Other Income and Expenses	(10)	(76)	(12)	(78)
Interest Expense	22	15	64	38
Loss Before Income Taxes	(116)	(90)	(147)	(116)
Income Tax Benefit	(65)	(65)	(146)	(127)
Less: Loss Attributable to Noncontrolling Interests	(2)	(1)	(3)	(2)
Segment (Loss) Income	\$ (49)	\$ (24)	\$ 2	\$ 13
OTHER				
Operating Revenues	\$ 35	\$ 32	\$ 103	\$ 91
Operating Expenses				
Fuel used in electric generation and purchased power	13	14	42	37
Operation, maintenance and other	21	70	47	145

Depreciation and amortization	27	37	79	108
Property and other taxes	3	8	10	25
Impairment charges	—	—	7	2
Total operating expenses	<u>64</u>	<u>129</u>	<u>185</u>	<u>317</u>
Gains on Sales of Other Assets and Other, net	<u>4</u>	<u>3</u>	<u>15</u>	<u>14</u>
Operating Loss	(25)	(94)	(67)	(212)
Other Income and Expenses	51	24	100	60
Interest Expense	<u>150</u>	<u>157</u>	<u>423</u>	<u>553</u>
Loss Before Income Taxes	(124)	(227)	(390)	(705)
Income Tax Benefit	(93)	(49)	(193)	(276)
Less: Income Attributable to Noncontrolling Interests	<u>3</u>	<u>3</u>	<u>8</u>	<u>7</u>
Other Net Expense	<u>\$ (34)</u>	<u>\$ (181)</u>	<u>\$ (205)</u>	<u>\$ (436)</u>

Note: Prior period amounts have been recast to conform to the current segment structure.

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,	
	2017	2016	2017	2016
Operating Revenues				
Regulated electric	\$ 6,091	\$ 6,303	\$ 16,122	\$ 16,321
Regulated natural gas	247	89	1,168	355
Nonregulated electric and other	144	184	476	490
Total operating revenues	6,482	6,576	17,766	17,166
Operating Expenses				
Fuel used in electric generation and purchased power	1,863	2,031	4,853	5,140
Cost of natural gas	68	6	402	64
Operation, maintenance and other	1,442	1,460	4,282	4,227
Depreciation and amortization	900	819	2,594	2,402
Property and other taxes	313	302	924	887
Impairment charges	207	10	216	14
Total operating expenses	4,793	4,628	13,271	12,734
Gains on Sales of Other Assets and Other, net	6	6	24	21
Operating Income	1,695	1,954	4,519	4,453
Other Income and Expenses				
Equity in earnings (losses) of unconsolidated affiliates	36	(60)	101	(37)
Other income and expenses, net	88	86	255	237
Total other income and expenses	124	26	356	200
Interest Expense	498	464	1,475	1,431
Income From Continuing Operations Before Income Taxes	1,321	1,516	3,400	3,222
Income Tax Expense from Continuing Operations	364	515	1,035	1,020
Income From Continuing Operations	957	1,001	2,365	2,202
(Loss) Income From Discontinued Operations, net of tax	(2)	180	(4)	190
Net Income	955	1,181	2,361	2,392
Less: Net Income Attributable to Noncontrolling Interests	1	5	5	13
Net Income Attributable to Duke Energy Corporation	\$ 954	\$ 1,176	\$ 2,356	\$ 2,379

Earnings Per Share - Basic and Diluted

Income from continuing operations attributable to Duke Energy Corporation common stockholders

Basic	\$ 1.36	\$ 1.44	\$ 3.37	\$ 3.19
Diluted	\$ 1.36	\$ 1.44	\$ 3.37	\$ 3.18

Income (Loss) from discontinued operations attributable to Duke Energy Corporation common stockholders

Basic	\$ —	\$ 0.26	\$ (0.01)	\$ 0.26
Diluted	\$ —	\$ 0.26	\$ (0.01)	\$ 0.26

Net income attributable to Duke Energy Corporation common stockholders

Basic	\$ 1.36	\$ 1.70	\$ 3.36	\$ 3.45
Diluted	\$ 1.36	\$ 1.70	\$ 3.36	\$ 3.44

Weighted average shares outstanding

Basic	700	689	700	689
Diluted	700	691	700	690

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	September 30, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 282	\$ 392
Receivables (net of allowance for doubtful accounts of \$13 at 2017 and \$14 at 2016)	528	751
Receivables of VIEs (net of allowance for doubtful accounts of \$54 at 2017 and 2016)	2,089	1,893
Inventory	3,265	3,522
Regulatory assets (includes \$51 at 2017 and \$50 at 2016 related to VIEs)	1,109	1,023
Other	433	458
Total current assets	7,706	8,039
Property, Plant and Equipment		
Cost	125,582	121,397
Accumulated depreciation and amortization	(41,161)	(39,406)
Generation facilities to be retired, net	441	529
Net property, plant and equipment	84,862	82,520
Other Noncurrent Assets		
Goodwill	19,418	19,425
Regulatory assets (includes \$1,101 at 2017 and \$1,142 at 2016 related to VIEs)	13,367	12,878
Nuclear decommissioning trust funds	6,814	6,205
Investments in equity method unconsolidated affiliates	1,366	925
Other	2,792	2,769
Total other noncurrent assets	43,757	42,202
Total Assets	\$ 136,325	\$ 132,761
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 2,645	\$ 2,994
Notes payable and commercial paper	1,899	2,487
Taxes accrued	627	384
Interest accrued	538	503
Current maturities of long-term debt (includes \$215 at 2017 and \$260 at 2016 related to VIEs)	2,485	2,319
Asset retirement obligations	619	411
Regulatory liabilities	273	409
Other	1,734	2,044
Total current liabilities	10,820	11,551
Long-Term Debt (includes \$4,219 at 2017 and \$3,587 at 2016 related to VIEs)	48,929	45,576
Other Noncurrent Liabilities		
Deferred income taxes	15,058	14,155
Asset retirement obligations	9,586	10,200
Regulatory liabilities	7,027	6,881
Accrued pension and other post-retirement benefit costs	1,105	1,111
Investment tax credits	534	493
Other	1,624	1,753
Total other noncurrent liabilities	34,934	34,593
Commitments and Contingencies		
Equity		
Common stock, \$0.001 par value, 2 billion shares authorized; 700 million shares outstanding at 2017 and 2016	1	1
Additional paid-in capital	38,774	38,741
Retained earnings	2,936	2,384
Accumulated other comprehensive loss	(80)	(93)
Total Duke Energy Corporation stockholders' equity	41,631	41,033
Noncontrolling interests	11	8
Total equity	41,642	41,041
Total Liabilities and Equity	\$ 136,325	\$ 132,761

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Nine Months Ended September 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 2,361	\$ 2,392
Adjustments to reconcile net income to net cash provided by operating activities	2,650	3,219
Net cash provided by operating activities	5,011	5,611
 CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(6,360)	(5,555)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	1,239	5,266
 Changes in cash and cash equivalents associated with assets held for sale	—	11
 Net (decrease) increase in cash and cash equivalents	(110)	5,333
Cash and cash equivalents at the beginning of period	392	383
Cash and cash equivalents at end of period	\$ 282	\$ 5,716

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
September 2017 QTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	International Energy	Other	Discontinued Operations	Consolidated
2016 QTD Reported Earnings Per Share, Diluted	\$ 1.72	\$ 0.02	\$ (0.04)	\$ —	\$ (0.26)	\$ 0.26	\$ 1.70
Costs to Achieve Mergers	—	—	—	—	0.07	—	0.07
Cost Savings Initiatives	—	—	—	—	0.02	—	0.02
Commercial Renewables Impairment	—	—	0.07	—	—	—	0.07
International Energy Operations	—	—	—	0.08	—	(0.08)	—
Discontinued Operations (a)	—	—	—	—	—	(0.18)	(0.18)
2016 QTD Adjusted Earnings Per Share, Diluted	\$ 1.72	\$ 0.02	\$ 0.03	\$ 0.08	\$ (0.17)	\$ —	\$ 1.68
Change in share count (b)	(0.02)	—	—	—	—	—	(0.02)
Weather-related (c)	(0.14)	—	—	—	—	—	(0.14)
Volume	0.01	—	—	—	—	—	0.01
Pricing and Riders	0.04	—	—	—	—	—	0.04
Wholesale	(0.01)	—	—	—	—	—	(0.01)
Operations and maintenance, net of recoverables	0.01	—	—	—	—	—	0.01
Piedmont Natural Gas contribution	—	(0.01)	—	—	—	—	(0.01)
Midstream Gas Pipelines	—	0.02	—	—	—	—	0.02
Duke Energy Renewables (d)	—	—	(0.02)	—	—	—	(0.02)
National Methanol Company (NMC)	—	—	—	—	0.01	—	0.01
Interest Expense	(0.01)	—	—	—	(0.04)	—	(0.05)
Other (e)(f)	(0.02)	—	—	—	0.06	—	0.04
Change in effective income tax rate (g)(h)	—	—	—	(0.01)	0.11	—	0.10
Latin America, including foreign exchange rates	—	—	—	(0.07)	—	—	(0.07)
2017 QTD Adjusted Earnings Per Share, Diluted	\$ 1.58	\$ 0.03	\$ 0.01	\$ —	\$ (0.03)	\$ —	\$ 1.59
Costs to Achieve Piedmont Merger	—	—	—	—	(0.03)	—	(0.03)
Florida Settlement	(0.12)	—	—	—	—	—	(0.12)
Commercial Renewables Impairments	—	—	(0.08)	—	—	—	(0.08)
2017 QTD Reported Earnings Per Share, Diluted	\$ 1.46	\$ 0.03	\$ (0.07)	\$ —	\$ (0.06)	\$ —	\$ 1.36

Note 1: Prior period amounts have been recast to conform to the current segment structure. Results of NMC are included within Other.

Note 2: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except Duke Energy Renewables, which uses an effective rate.

(a) Represents a tax benefit related to previously sold businesses not related to the International Disposal Group.

(b) Due to the Q4 2016 share issuance used to partially fund the Piedmont acquisition. Weighted average diluted shares outstanding increased from 691 million shares to 700 million shares.

(c) Weather-related amounts include estimated volume impacts of Hurricane Irma (approximately -\$0.02).

(d) Primarily due to lower solar ITCs (-\$0.01) and higher interest expense (-\$0.01).

(e) Electric Utilities and Infrastructure is primarily due to higher depreciation and amortization.

(f) Other includes a benefit related to a litigation settlement (+\$0.02), lower Foundation contributions (+\$0.02) and lower claims at the captive insurer (+\$0.01).

(g) Other is primarily due to prior year unfavorable tax adjustments offset in Electric Utilities (+\$0.03), a prior year unfavorable tax resolution (+\$0.04) and current year tax planning (+\$0.03).

(h) Electric includes prior year favorable tax adjustments offset in Other (-\$0.03) offset by research credits in the current year (+\$0.03).

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
September 2017 YTD vs. Prior Year

(\$ per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	International Energy	Other	Discontinued Operations	Consolidated
2016 YTD Reported Earnings Per Share, Diluted	\$ 3.71	\$ 0.09	\$ 0.01	\$ —	\$ (0.63)	\$ 0.26	\$ 3.44
Costs to Achieve Mergers	—	—	—	—	0.28	—	0.28
Cost Savings Initiatives	—	—	—	—	0.06	—	0.06
Commercial Renewables Impairment	—	—	0.07	—	—	—	0.07
International Energy Operations	—	—	—	0.29	—	(0.29)	—
Discontinued Operations	—	—	—	—	—	0.03	0.03
2016 YTD Adjusted Earnings Per Share, Diluted	\$ 3.71	\$ 0.09	\$ 0.08	\$ 0.29	\$ (0.29)	\$ —	\$ 3.88
Change in share count (a)	(0.05)	—	—	—	—	—	(0.05)
Weather-related (b)	(0.34)	—	—	—	—	—	(0.34)
Volume	0.05	—	—	—	—	—	0.05
Pricing and Riders	0.13	—	—	—	—	—	0.13
Operations and maintenance, net of recoverables (c)	0.09	—	—	—	—	—	0.09
Piedmont Natural Gas contribution	—	0.14	—	—	—	—	0.14
Midstream Gas Pipelines	—	0.03	—	—	—	—	0.03
Duke Energy Renewables	—	—	—	—	—	—	—
National Methanol Company (NMC)	—	—	—	—	0.02	—	0.02
Interest Expense	(0.07)	—	—	—	(0.09)	—	(0.16)
Other (d)(e)	0.02	—	—	—	0.08	—	0.10
Change in effective income tax rate (f)	(0.01)	—	—	(0.09)	0.04	—	(0.06)
Latin America, including foreign exchange rates	—	—	—	(0.20)	—	—	(0.20)
2017 YTD Adjusted Earnings Per Share, Diluted	\$ 3.53	\$ 0.26	\$ 0.08	\$ —	\$ (0.24)	\$ —	\$ 3.63
Cost to Achieve Piedmont Merger	—	—	—	—	(0.06)	—	(0.06)
Florida Settlement	(0.12)	—	—	—	—	—	(0.12)
Commercial Renewables Impairments	—	—	(0.08)	—	—	—	(0.08)
Discontinued Operations	—	—	—	—	—	(0.01)	(0.01)
2017 YTD Reported Earnings Per Share, Diluted	\$ 3.41	\$ 0.26	\$ —	\$ —	\$ (0.30)	\$ (0.01)	\$ 3.36

Note 1: Prior period amounts have been recast to conform to the current segment structure. Results of NMC are included within Other.

Note 2: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except Duke Energy Renewables, which uses an effective rate.

(a) Due to the Q4 2016 share issuance used to partially fund the Piedmont acquisition. Weighted average diluted shares outstanding increased from 690 million shares to 700 million shares.

(b) Weather-related amounts include estimated volume impacts of Hurricane Irma (approximately -\$0.02).

(c) Primarily due to ongoing cost control and lower storm restoration costs.

(d) Electric Utilities and Infrastructure is primarily due to higher AFUDC equity (+\$0.05), partially offset by higher depreciation and amortization (-\$0.04).

(e) Other includes lower contributions to the Duke Energy Foundation (+\$0.03), a benefit related to a litigation settlement (+\$0.02), and higher returns on investments (+\$0.01).

(f) Other is primarily due to tax planning (+\$0.03).

Electric Utilities and Infrastructure
Quarterly Highlights
September 2017

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	23,851	26,103	(8.6%)	0.6%	61,977	65,450	(5.3%)	0.7%
General Service	21,719	22,768	(4.6%)	(1.2%)	58,042	59,291	(2.1%)	(0.2%)
Industrial	13,625	13,854	(1.7%)	(0.2%)	39,026	39,147	(0.3%)	0.4%
Other Energy Sales	141	144	(2.1%)		426	435	(2.1%)	
Unbilled Sales	(531)	(703)	24.5%	n/a	(69)	1,078	(106.4%)	n/a
Total Retail Sales	58,805	62,166	(5.4%)	(0.2)%	159,402	165,401	(3.6%)	0.3%
Wholesale and Other	11,756	12,102	(2.9%)		31,567	33,783	(6.6%)	
Total Consolidated Electric Sales - Electric Utilities and Infrastructure	70,561	74,268	(5.0%)		190,969	199,184	(4.1%)	
Average Number of Customers (Electric)								
Residential	6,543,072	6,455,615	1.4%		6,525,912	6,439,699	1.3%	
General Service	975,354	964,893	1.1%		972,124	961,246	1.1%	
Industrial	17,724	17,807	(0.5%)		17,734	17,868	(0.7%)	
Other Energy Sales	23,362	23,138	1.0%		23,285	23,117	0.7%	
Total Retail Customers	7,559,512	7,461,453	1.3%		7,539,055	7,441,930	1.3%	
Wholesale and Other	57	61	(6.6%)		56	61	(8.2%)	
Total Average Number of Customers - Electric Utilities and Infrastructure	7,559,569	7,461,514	1.3%		7,539,111	7,441,991	1.3%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	21,936	24,665	(11.1%)		57,132	58,367	(2.1%)	
Nuclear	19,328	19,177	0.8%		55,227	55,785	(1.0%)	
Hydro	185	131	41.2%		1,014	1,502	(32.5%)	
Oil and Natural Gas	17,711	17,594	0.7%		46,306	48,461	(4.4%)	
Renewable Energy	126	60	110.0%		329	158	108.2%	
Total Generation (4)	59,286	61,627	(3.8%)		160,008	164,273	(2.6%)	
Purchased Power and Net Interchange (5)	15,020	17,105	(12.2%)		40,734	45,757	(11.0%)	
Total Sources of Energy	74,306	78,732	(5.6%)		200,742	210,030	(4.4%)	
Less: Line Loss and Other	3,745	4,464	(16.1%)		9,773	10,846	(9.9%)	
Total GWh Sources	70,561	74,268	(5.0%)		190,969	199,184	(4.1%)	
Owned MW Capacity (3)								
Summer					49,423	49,839		
Winter					53,119	53,028		
Nuclear Capacity Factor (%) (6)								
					95	96		

(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
September 2017

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	7,867	8,804	(10.6%)		20,579	22,055	(6.7%)	
General Service	8,110	8,507	(4.7%)		21,642	22,105	(2.1%)	
Industrial	5,829	5,923	(1.6%)		16,463	16,546	(0.5%)	
Other Energy Sales	75	76	(1.3%)		226	228	(0.9%)	
Unbilled Sales	(337)	(446)	24.4%		(369)	244	(251.2%)	
Total Retail Sales	21,544	22,864	(5.8%)	0.2%	58,541	61,178	(4.3%)	0.3%
Wholesale and Other	2,591	2,644	(2.0%)		7,618	6,712	13.5%	
Total Consolidated Electric Sales - Duke Energy Carolinas	24,135	25,508	(5.4%)		66,159	67,890	(2.5%)	
Average Number of Customers								
Residential	2,185,984	2,151,854	1.6%		2,177,335	2,144,588	1.5%	
General Service	354,801	350,252	1.3%		353,281	348,819	1.3%	
Industrial	6,237	6,276	(0.6%)		6,243	6,303	(1.0%)	
Other Energy Sales	15,407	15,224	1.2%		15,356	15,170	1.2%	
Total Retail Customers	2,562,429	2,523,406	1.5%		2,552,215	2,514,890	1.5%	
Wholesale and Other	26	24	8.3%		25	24	4.2%	
Total Average Number of Customers - Duke Energy Carolinas	2,562,455	2,523,430	1.5%		2,552,240	2,514,914	1.5%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	8,240	9,395	(12.3%)		20,732	20,056	3.4%	
Nuclear	11,495	11,607	(1.0%)		33,558	33,409	0.4%	
Hydro	38	(35)	208.6%		475	802	(40.8%)	
Oil and Natural Gas	3,011	3,216	(6.4%)		8,071	8,893	(9.2%)	
Renewable Energy	46	3	1,433.3%		96	10	860.0%	
Total Generation (4)	22,830	24,186	(5.6%)		62,932	63,170	(0.4%)	
Purchased Power and Net Interchange (5)	2,756	2,729	1.0%		7,055	8,796	(19.8%)	
Total Sources of Energy	25,586	26,915	(4.9%)		69,987	71,966	(2.7%)	
Less: Line Loss and Other	1,451	1,407	3.1%		3,828	4,076	(6.1%)	
Total GWh Sources	24,135	25,508	(5.4%)		66,159	67,890	(2.5%)	
Owned MW Capacity (3)								
Summer					19,568	19,678		
Winter					20,425	20,383		
Nuclear Capacity Factor (%) (6)								
					96	96		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	11	—	—%		1,433	1,861	(23.0%)	
Cooling Degree Days	1,012	1,301	(22.2%)		1,546	1,890	(18.2%)	
Variance from Normal								
Heating Degree Days	(29.9%)	(100.0%)	n/a		(27.8%)	(7.1%)	n/a	
Cooling Degree Days	2.9%	33.6%	n/a		4.3%	29.0%	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.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Progress
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
September 2017

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	5,015	5,406	(7.2%)		13,353	14,003	(4.6%)	
General Service	4,489	4,667	(3.8%)		11,761	12,007	(2.0%)	
Industrial	2,741	2,806	(2.3%)		7,832	7,792	0.5%	
Other Energy Sales	20	22	(9.1%)		61	68	(10.3%)	
Unbilled Sales	(237)	(112)	(111.6%)		(289)	98	(394.9%)	
Total Retail Sales	12,028	12,789	(6.0%)	(0.7%)	32,718	33,968	(3.7%)	0.3%
Wholesale and Other	6,799	7,244	(6.1%)		17,308	20,043	(13.6%)	
Total Consolidated Electric Sales - Duke Energy Progress	18,827	20,033	(6.0%)		50,026	54,011	(7.4%)	
Average Number of Customers								
Residential	1,312,250	1,294,491	1.4%		1,307,350	1,289,892	1.4%	
General Service	232,657	229,854	1.2%		231,592	228,698	1.3%	
Industrial	4,123	4,131	(0.2%)		4,128	4,142	(0.3%)	
Other Energy Sales	1,454	1,505	(3.4%)		1,457	1,549	(5.9%)	
Total Retail Customers	1,550,484	1,529,981	1.3%		1,544,527	1,524,281	1.3%	
Wholesale and Other	14	15	(6.7%)		14	15	(6.7%)	
Total Average Number of Customers - Duke Energy Progress	1,550,498	1,529,996	1.3%		1,544,541	1,524,296	1.3%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	3,571	5,073	(29.6%)		6,808	9,508	(28.4%)	
Nuclear	7,833	7,570	3.5%		21,669	22,376	(3.2%)	
Hydro	77	71	8.5%		378	449	(15.8%)	
Oil and Natural Gas	5,936	5,942	(0.1%)		16,648	18,037	(7.7%)	
Renewable Energy	72	55	30.9%		206	146	41.1%	
Total Generation (4)	17,489	18,711	(6.5%)		45,709	50,516	(9.5%)	
Purchased Power and Net Interchange (5)	2,035	2,129	(4.4%)		6,021	5,391	11.7%	
Total Sources of Energy	19,524	20,840	(6.3%)		51,730	55,907	(7.5%)	
Less: Line Loss and Other	697	807	(13.6%)		1,704	1,896	(10.1%)	
Total GWh Sources	18,827	20,033	(6.0%)		50,026	54,011	(7.4%)	
Owned MW Capacity (3)								
Summer					12,809	12,935		
Winter					14,011	14,034		
Nuclear Capacity Factor (%) (6)								
					93	96		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	2	—	—%		1,288	1,693	(23.9%)	
Cooling Degree Days	1,124	1,343	(16.3%)		1,781	1,955	(8.9%)	
Variance from Normal								
Heating Degree Days	(80.1%)	(100.0%)	n/a		(29.0%)	(7.4%)	n/a	
Cooling Degree Days	6.7%	28.5%	n/a		11.5%	23.3%	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
September 2017

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	6,318	6,608	(4.4%)		15,086	15,653	(3.6%)	
General Service	4,290	4,432	(3.2%)		11,347	11,493	(1.3%)	
Industrial	806	817	(1.3%)		2,348	2,381	(1.4%)	
Other Energy Sales	6	6	—%		18	18	—%	
Unbilled Sales	(52)	(160)	67.5%		601	498	20.7%	
Total Retail Sales	11,368	11,703	(2.9%)	1.6%	29,400	30,043	(2.1%)	1.8%
Wholesale and Other	764	737	3.7%		1,777	1,499	18.5%	
Total Electric Sales - Duke Energy Florida	12,132	12,440	(2.5%)		31,177	31,542	(1.2%)	
Average Number of Customers								
Residential	1,574,801	1,550,574	1.6%		1,569,565	1,546,245	1.5%	
General Service	196,983	196,142	1.4%		198,236	195,402	1.5%	
Industrial	2,139	2,168	(1.3%)		2,147	2,184	(1.7%)	
Other Energy Sales	1,514	1,529	(1.0%)		1,518	1,534	(1.0%)	
Total Retail Customers	1,777,437	1,750,413	1.5%		1,771,466	1,745,365	1.5%	
Wholesale and Other	11	14	(21.4%)		11	14	(21.4%)	
Total Average Number of Customers - Duke Energy Florida	1,777,448	1,750,427	1.5%		1,771,477	1,745,379	1.5%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	2,513	2,823	(11.0%)		7,465	6,605	13.0%	
Oil and Natural Gas	8,295	7,610	9.0%		20,307	19,371	4.8%	
Renewable Energy	2	2	n/a		10	2	n/a	
Total Generation (4)	10,810	10,435	3.6%		27,782	25,978	6.9%	
Purchased Power and Net Interchange (5)	2,054	2,768	(25.8%)		5,103	7,407	(31.1%)	
Total Sources of Energy	12,864	13,203	(2.6%)		32,885	33,385	(1.5%)	
Less: Line Loss and Other	732	763	(4.1%)		1,708	1,843	(7.3%)	
Total GWh Sources	12,132	12,440	(2.5%)		31,177	31,542	(1.2%)	
Owned MW Capacity (3)								
Summer					9,225	9,021		
Winter					10,332	9,926		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	—	—	—%		177	401	(55.9%)	
Cooling Degree Days	1,552	1,598	(2.9%)		2,904	2,909	(0.2%)	
Variance from Normal								
Heating Degree Days	—%	—%	n/a		(54.8%)	1.3%	n/a	
Cooling Degree Days	4.8%	8.0%	n/a		7.7%	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 Ohio
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
September 2017

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	2,376	2,736	(13.2%)		6,405	6,802	(5.8%)	
General Service	2,565	2,751	(6.8%)		7,089	7,326	(3.2%)	
Industrial	1,517	1,577	(3.8%)		4,422	4,478	(1.3%)	
Other Energy Sales	27	27	—%		82	82	—%	
Unbilled Sales	37	16	131.3%		(32)	136	(123.5%)	
Total Retail Sales	6,521	7,106	(8.2%)	(3.3%)	17,966	18,824	(4.6%)	(1.3%)
Wholesale and Other	151	108	39.8%		666	293	127.3%	
Total Electric Sales - Duke Energy Ohio	6,672	7,214	(7.5%)		18,632	19,117	(2.5%)	
Average Number of Customers								
Residential	758,450	752,157	0.8%		758,793	752,530	0.8%	
General Service	87,727	87,582	0.2%		87,894	87,522	0.4%	
Industrial	2,498	2,506	(0.3%)		2,501	2,517	(0.6%)	
Other Energy Sales	3,312	3,259	1.6%		3,297	3,253	1.4%	
Total Retail Customers	851,987	845,504	0.8%		852,475	845,822	0.8%	
Wholesale and Other	1	1	—%		1	1	—%	
Total Average Number of Customers - Duke Energy Ohio	851,988	845,505	0.8%		852,476	845,823	0.8%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	1,003	1,186	(15.4%)		3,229	2,650	21.8%	
Oil and Natural Gas	6	17	(64.7%)		13	28	(53.6%)	
Total Generation (4)	1,009	1,203	(16.1%)		3,242	2,678	21.1%	
Purchased Power and Net Interchange (5)	6,276	6,655	(5.7%)		17,168	18,141	(5.3%)	
Total Sources of Energy	7,285	7,858	(7.3%)		20,430	20,819	(1.9%)	
Less: Line Loss and Other	613	644	(4.8%)		1,798	1,702	5.6%	
Total GWh Sources	6,672	7,214	(7.5%)		18,632	19,117	(2.5%)	
Owned MW Capacity (3)								
Summer					1,080	1,062		
Winter					1,168	1,164		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	46	24	91.7%		2,403	2,848	(15.6%)	
Cooling Degree Days	700	973	(28.1%)		1,033	1,345	(23.2%)	
Variance from Normal								
Heating Degree Days	(19.4%)	(60.0%)	n/a		(22.1%)	(8.2%)	n/a	
Cooling Degree Days	(6.6%)	29.9%	n/a		(4.4%)	24.9%	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
September 2017

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	2,276	2,550	(10.7%)		6,584	6,937	(5.5%)	
General Service	2,265	2,411	(6.1%)		6,203	6,360	(2.5%)	
Industrial	2,732	2,731	—%		7,961	7,950	0.1%	
Other Energy Sales	13	13	—%		39	39	—%	
Unbilled Sales	58	(1)	5,900.0%		20	102	(80.4%)	
Total Retail Sales	7,344	7,704	(4.7%)	(0.7%)	20,777	21,388	(2.9%)	(0.3%)
Wholesale and Other	1,451	1,369	6.0%		4,198	5,236	(19.8%)	
Total Electric Sales - Duke Energy Indiana	8,795	9,073	(3.1%)		24,975	26,624	(6.2%)	
Average Number of Customers								
Residential	711,587	706,739	0.7%		712,869	706,434	0.9%	
General Service	101,186	101,063	0.1%		101,131	100,806	0.3%	
Industrial	2,727	2,726	—%		2,715	2,722	(0.3%)	
Other Energy Sales	1,675	1,621	3.3%		1,657	1,611	2.9%	
Total Retail Customers	817,175	812,149	0.6%		818,372	811,572	0.8%	
Wholesale and Other	5	7	(28.6%)		5	7	(28.6%)	
Total Average Number of Customers - Duke Energy Indiana	817,180	812,156	0.6%		818,377	811,579	0.8%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	6,609	6,188	6.8%		18,898	19,548	(3.3%)	
Hydro	70	95	(26.3%)		161	251	(35.9%)	
Oil and Natural Gas	463	809	(42.8%)		1,267	2,132	(40.6%)	
Renewable Energy	6	—	n/a		17	—	n/a	
Total Generation (4)	7,148	7,092	0.8%		20,343	21,931	(7.2%)	
Purchased Power and Net Interchange (5)	1,899	2,824	(32.6%)		5,367	6,022	(10.9%)	
Total Sources of Energy	9,047	9,916	(8.8%)		25,710	27,953	(8.0%)	
Less: Line Loss and Other	252	843	(70.1%)		735	1,329	(44.7%)	
Total GWh Sources	8,795	9,073	(3.1%)		24,975	26,624	(6.2%)	
Owned MW Capacity (3)								
Summer					6,741	7,143		
Winter					7,183	7,521		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	39	21	85.7%		2,619	3,064	(14.5%)	
Cooling Degree Days	733	932	(21.4%)		1,056	1,308	(19.3%)	
Variance from Normal								
Heating Degree Days	(41.4%)	(69.1%)	n/a		(21.2%)	(8.3%)	n/a	
Cooling Degree Days	(1.0%)	26.5%	n/a		(1.6%)	22.5%	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
September 2017

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Inc.(Dec.)	2017	2016	% Inc.(Dec.)
Total Sales						
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms) (1) (2)	107,490,775	112,870,966	(4.8%)	334,781,316	374,214,204	(10.5%)
Duke Energy Midwest LDC throughput (Mcf)	9,904,644	9,568,340	3.5%	52,940,410	57,023,986	(7.2%)
Average Number of Customers - Piedmont Natural Gas (1)						
Residential	943,122	926,460	1.8%	950,240	934,384	1.7%
Commercial	100,126	99,020	1.1%	100,961	99,984	1.0%
Industrial	2,282	2,287	(0.2%)	2,305	2,295	0.4%
Power Generation	27	25	8.0%	26	25	4.0%
Total Average Number of Gas Customers - Piedmont Natural Gas	1,045,557	1,027,792	1.7%	1,053,532	1,036,688	1.6%
Average Number of Customers - Duke Energy Midwest						
Residential	477,620	473,823	0.8%	481,142	477,385	0.8%
Commercial	41,040	41,180	(0.3%)	43,066	43,100	(0.1%)
Industrial	1,505	1,524	(1.2%)	1,579	1,608	(1.8%)
Other	139	143	(2.8%)	140	144	(2.8%)
Total Average Number of Gas Customers - Duke Energy Midwest	520,304	516,670	0.7%	525,927	522,237	0.7%

(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 for 2016 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
September 2017


	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Inc.(Dec.)	2017	2016	% Inc.(Dec.)
Renewable Plant Production, GWh	1,760	1,801	(2.3)%	6,276	5,619	11.7%
Net Proportional MW Capacity in Operation	n/a	n/a		2,908	2,725	6.7%

**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 15, 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

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	DUKE ENERGY CAROLINAS, LLC (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-1232	DUKE ENERGY OHIO, INC. (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	DUKE ENERGY INDIANA, LLC (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-3274	DUKE ENERGY FLORIDA, LLC (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770	1-6196	PIEDMONT NATURAL GAS COMPANY, INC. (a North Carolina corporation) 4720 Piedmont Row Drive Charlotte, North Carolina 28210 704-364-3120 56-556998

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Conditions.

The information attached hereto as exhibit 99.1 provides supplemental financial information for Duke Energy Corporation and Subsidiary Registrants.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Third Quarter 2017 Statistical Supplement

SIGNATURE

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

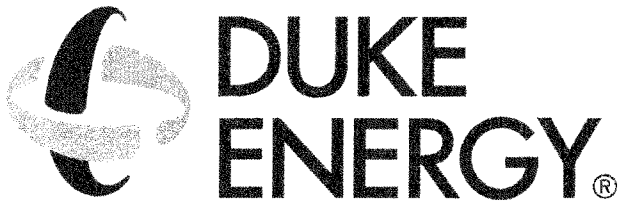
**DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC
PIEDMONT NATURAL GAS COMPANY, INC.**

Date: November 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	<u>Third Quarter 2017 Statistical Supplement</u>



Third Quarter 2017 Statistical Supplement

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Duke Energy and Piedmont Natural Gas

This Statistical Supplement includes results of Piedmont Natural Gas (Piedmont) subsequent to the acquisition on October 3, 2016, and should be read in conjunction with i) Duke Energy and Piedmont's combined Form 10-Q for the nine months ended September 30, 2017, ii) Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2016, iii) Piedmont's Annual Report on Form 10-K for the year ended October 31, 2016, and iv) the transition report filed by Piedmont on Form 10-Q as of December 31, 2016, for the transition period from November 1, 2016, to December 31, 2016.

Segment Change

Due to the Piedmont acquisition and the sale of International Energy in the fourth quarter of 2016, Duke Energy's segment structure has been realigned to include the following segments: Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The remainder of Duke Energy's operations is presented as Other. Other now includes the results of National Methanol Company (NMC), previously included in the International Energy segment.

Prior periods have been recast to conform to the current segment structure.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

(in millions)	Nine Months Ended September 30, 2017						Duke Energy
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments		
Operating Revenues							
Regulated electric	\$ 16,234	\$ —	\$ —	\$ —	(112)	\$	16,122
Regulated natural gas	—	1,237	—	—	(69)		1,168
Nonregulated electric and other	—	6	333	103	34		476
Total operating revenues	16,234	1,243	333	103	(147)		17,766
Operating Expenses							
Fuel used in electric generation and purchased power	4,875	—	—	42	(64)		4,853
Cost of natural gas	—	402	—	—	—		402
Operation, maintenance and other	3,833	291	191	47	(80)		4,282
Depreciation and amortization	2,228	171	116	79	—		2,594
Property and other taxes	808	81	26	10	(1)		924
Impairment charges	134	—	76	7	(1)		216
Total operating expenses	11,878	945	409	185	(146)		13,271
Gains on Sales of Other Assets and Other, net	4	—	5	15	—		24
Operating Income (Loss)	4,360	298	(71)	(67)	(1)		4,519
Other Income and Expenses							
Equity in earnings (losses) of unconsolidated affiliates	3	57	(5)	46	—		101
Other income and expenses, net	219	3	(7)	54	(14)		255
Total Other Income and Expenses	222	60	(12)	100	(14)		356
Interest Expense	925	78	64	423	(15)		1,475
Income (Loss) from Continuing Operations Before Income Taxes	3,657	280	(147)	(390)	—		3,400
Income Tax Expense (Benefit) from Continuing Operations	1,273	101	(146)	(193)	—		1,035
Income (Loss) from Continuing Operations	2,384	179	(1)	(197)	—		2,365
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(3)	8	—		5
Segment Income / Other Net Expense	\$ 2,384	\$ 179	\$ 2	\$ (205)	\$ —		2,360
Loss from Discontinued Operations, net of tax							(4)
Net Income Attributable to Duke Energy Corporation							\$ 2,356
Segment Income / Other Net Expense	\$ 2,384	\$ 179	\$ 2	\$ (205)	\$ —		2,360
Special Items	84	—	56	43	—		183
Adjusted Earnings^(a)	\$ 2,468	\$ 179	\$ 58	\$ (162)	\$ —		2,543

(a) See page 16 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Statements of Operations
(Unaudited)

Nine Months Ended September 30, 2016^(a)

(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	International Energy	Eliminations / Adjustments	Duke Energy
Operating Revenues							
Regulated electric	\$ 16,430	\$ —	\$ —	\$ —	\$ —	\$ (109)	\$ 16,321
Regulated natural gas	—	358	—	—	—	(3)	355
Nonregulated electric and other	—	—	365	91	—	34	490
Total operating revenues	16,430	358	365	91	—	(78)	17,166
Operating Expenses							
Fuel used in electric generation and purchased power	5,102	—	—	37	—	1	5,140
Cost of natural gas	—	64	—	—	—	—	64
Operation, maintenance and other	3,819	90	253	145	—	(80)	4,227
Depreciation and amortization	2,139	59	96	108	—	—	2,402
Property and other taxes	799	44	20	25	—	(1)	887
Impairment charges	12	—	—	2	—	—	14
Total operating expenses	11,871	257	369	317	—	(80)	12,734
Gains on Sales of Other Assets and Other, net	3	—	4	14	—	—	21
Operating Income (Loss)	4,562	101	—	(212)	—	2	4,453
Other Income and Expenses							
Equity in earnings (losses) of unconsolidated affiliates	2	11	(78)	28	—	—	(37)
Other income and expenses, net	213	2	—	32	—	(10)	237
Total other income and expenses	215	13	(78)	60	—	(10)	200
Interest Expense ^(b)	829	19	38	553	—	(8)	1,431
Income (Loss) from Continuing Operations Before Income Taxes	3,948	95	(116)	(705)	—	—	3,222
Income Tax Expense (Benefit) from Continuing Operations	1,391	32	(127)	(276)	—	—	1,020
Income (Loss) from Continuing Operations	2,557	63	11	(429)	—	—	2,202
Less: Net (Loss) Income Attributable to Noncontrolling Interest	—	—	(2)	7	—	—	5
Segment Income / Other Net Expense	\$ 2,557	\$ 63	\$ 13	\$ (436)	\$ —	\$ —	\$ 2,197
Income from Discontinued Operations, net of tax							182
Net Income Attributable to Duke Energy Corporation							\$ 2,379
Segment Income / Other Net Expense	\$ 2,557	\$ 63	\$ 13	\$ (436)	\$ —	\$ —	\$ 2,197
Special Items^(c)	—	—	45	234	203	—	482
Adjusted Earnings^(d)	\$ 2,557	\$ 63	\$ 58	\$ (202)	\$ 203	\$ —	\$ 2,679

- (a) Amounts have been recast to conform to the current segment structure.
(b) Other includes \$234 million related to Piedmont acquisition financing, primarily due to losses on forward-starting interest rate swaps.
(c) International Energy amount represents the operating results of the International Disposal Group classified as discontinued operations.
(d) See page 17 for a detailed reconciliation of Segment Income / Other Net Expense to Adjusted Earnings.

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Assets
(Unaudited)

September 30, 2017						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	\$ 67	\$ 14	\$ 7	\$ 194	\$ —	\$ 282
Receivables, net	429	63	1	36	(1)	528
Receivables of variable interest entities, net	2,064	—	25	—	—	2,089
Receivables from affiliated companies	21	8	1,599	403	(2,031)	—
Notes receivable from affiliated companies	145	21	—	541	(707)	—
Inventory	3,129	98	13	25	—	3,265
Regulatory assets	853	144	—	113	(1)	1,109
Other	260	129	148	(87)	(17)	433
Total current assets	6,968	477	1,793	1,225	(2,757)	7,706
Property, Plant and Equipment						
Cost	109,941	9,424	4,325	1,893	(1)	125,582
Accumulated depreciation and amortization	(37,257)	(2,178)	(688)	(1,039)	1	(41,161)
Generation facilities to be retired, net	441	—	—	—	—	441
Net property, plant and equipment	73,125	7,246	3,637	854	—	84,862
Other Noncurrent Assets						
Goodwill	17,379	1,924	115	—	—	19,418
Regulatory assets	12,207	695	—	465	—	13,367
Nuclear decommissioning trust funds	6,814	—	—	—	—	6,814
Investments in equity method unconsolidated affiliates	86	975	183	121	1	1,366
Investments and advances to (from) subsidiaries	273	9	8	55,725	(56,015)	—
Other	1,962	35	88	1,341	(634)	2,792
Total other noncurrent assets	38,721	3,638	394	57,652	(56,648)	43,757
Total Assets	118,814	11,361	5,824	59,731	(59,405)	136,325
Segment reclassifications, intercompany balances and other	(491)	—	(1,608)	(57,491)	59,590	—
Segment Assets	\$ 118,323	\$ 11,361	\$ 4,216	\$ 2,240	\$ 185	\$ 136,325

DUKE ENERGY CORPORATION
Consolidating Balance Sheets - Liabilities and Equity
(Unaudited)

(in millions)	September 30, 2017					
	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations / Adjustments	Duke Energy
Current Liabilities						
Accounts payable	\$ 2,103	\$ 156	\$ 13	\$ 374	\$ (1)	2,645
Accounts payable to affiliated companies	444	45	9	1,518	(2,016)	—
Notes payable to affiliated companies	372	271	—	74	(717)	—
Notes payable and commercial paper	—	—	—	1,899	—	1,899
Taxes accrued	921	63	(311)	(47)	1	627
Interest accrued	375	35	—	129	(1)	538
Current maturities of long-term debt	1,574	—	162	749	—	2,485
Asset retirement obligations	619	—	—	—	—	619
Regulatory liabilities	264	3	—	5	1	273
Other	1,240	74	63	381	(24)	1,734
Total current liabilities	7,912	647	(64)	5,082	(2,757)	10,820
Long-Term Debt	28,865	2,678	1,781	15,605	—	48,929
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	16,558	1,555	286	(3,342)	1	15,058
Asset retirement obligations	9,451	44	89	1	1	9,586
Regulatory liabilities	6,252	753	—	23	(1)	7,027
Accrued pension and other post-retirement benefit costs	722	31	—	352	—	1,105
Investment tax credits	531	3	—	—	—	534
Other	857	196	267	304	—	1,624
Total other noncurrent liabilities	34,371	2,582	642	(2,662)	1	34,934
Equity						
Total Duke Energy Corporation stockholders' equity	47,048	5,447	3,440	41,711	(56,015)	41,631
Noncontrolling interests	—	—	16	(5)	—	11
Total equity	47,048	5,447	3,456	41,706	(56,015)	41,642
Total Liabilities and Equity	118,814	11,361	5,824	59,731	(59,405)	136,325
Segment reclassifications, intercompany balances and other	(491)	—	(1,608)	(57,491)	59,590	—
Segment Liabilities and Equity	\$ 118,323	\$ 11,361	\$ 4,216	\$ 2,240	\$ 185	\$ 136,325

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Nine Months Ended September 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 5,581	\$ 3,878	\$ 3,551	\$ 1,036	\$ 2,302	\$ 1	\$ (115)	\$ 16,234
Operating Expenses								
Fuel used in electric generation and purchased power	1,394	1,214	1,374	283	744	—	(134)	4,875
Operation, maintenance and other	1,403	1,015	598	276	533	3	5	3,833
Depreciation and amortization	804	536	423	131	336	—	(2)	2,228
Property and other taxes	206	120	265	161	56	—	—	808
Impairment charges	—	—	137	1	—	—	(4)	134
Total operating expenses	3,807	2,885	2,797	852	1,669	3	(135)	11,878
Gains on Sales of Other Assets and Other, net	—	3	—	—	1	—	—	4
Operating Income (Loss)	1,774	996	754	184	634	(2)	20	4,360
Other Income and Expenses, net^(b)	99	47	45	9	27	4	(9)	222
Interest Expense	314	217	211	47	132	—	4	925
Income Before Income Taxes	1,559	826	588	146	529	2	7	3,657
Income Tax Expense	532	268	213	50	206	1	3	1,273
Segment Income	\$ 1,027	\$ 558	\$ 375	\$ 96	\$ 323	\$ 1	\$ 4	\$ 2,384

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes an equity component of allowance for funds used during construction of \$79 million for Duke Energy Carolinas, \$35 million for Duke Energy Progress, \$33 million for Duke Energy Florida, \$6 million for Duke Energy Ohio, and \$20 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Nine Months Ended September 30, 2016 ^(a)							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(b)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments	Electric Utilities and Infrastructure
Operating Revenues	\$ 5,642	\$ 4,103	\$ 3,538	\$ 1,053	\$ 2,225	\$ —	\$ (131)	\$ 16,430
Operating Expenses								
Fuel used in electric generation and purchased power	1,391	1,441	1,391	340	690	—	(151)	5,102
Operation, maintenance and other	1,420	1,031	601	249	512	2	4	3,819
Depreciation and amortization	785	520	376	115	343	1	(1)	2,139
Property and other taxes	206	119	256	150	67	—	1	799
Impairment charges	—	1	4	—	8	—	(1)	12
Total operating expenses	3,802	3,112	2,628	854	1,620	3	(148)	11,871
(Losses) Gains on Sales of Other Assets and Other, net	(1)	2	—	1	—	—	1	3
Operating Income (Loss)	1,839	993	910	200	605	(3)	18	4,562
Other Income and Expenses, net^(c)	122	47	30	4	15	4	(7)	215
Interest Expense	317	188	143	43	136	—	2	829
Income Before Income Taxes	1,644	852	797	161	484	1	9	3,948
Income Tax Expense	568	287	296	54	165	—	21	1,391
Segment Income	\$ 1,076	\$ 565	\$ 501	\$ 107	\$ 319	\$ 1	\$ (12)	\$ 2,557

(a) Amounts have been recast to conform to the current segment structure.

(b) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(c) Includes an equity component of allowance for funds used during construction of \$75 million for Duke Energy Carolinas, \$34 million for Duke Energy Progress, \$16 million for Duke Energy Florida, \$3 million for Duke Energy Ohio, and \$11 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	September 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Assets								
Cash and cash equivalents	\$ 18	\$ 15	\$ 8	\$ 4	\$ 22	\$ —	\$ —	\$ 67
Receivables, net	180	29	61	81	74	—	4	429
Receivables of variable interest entities, net	691	472	428	—	—	—	473	2,064
Receivables from affiliated companies	146	8	—	44	83	1	(261)	21
Notes receivable from affiliated companies	—	101	70	57	29	—	(112)	145
Inventory	1,000	1,018	566	95	450	—	—	3,129
Regulatory assets	237	230	211	6	158	—	11	853
Other	27	40	154	5	34	1	(1)	260
Total current assets	2,299	1,913	1,498	292	850	2	114	6,968
Property, Plant and Equipment								
Cost	42,321	29,104	17,546	5,663	14,716	4	587	109,941
Accumulated depreciation and amortization	(14,969)	(10,793)	(4,960)	(1,933)	(4,592)	(2)	(8)	(37,257)
Generation facilities to be retired, net	—	441	—	—	—	—	—	441
Net property, plant and equipment	27,352	18,752	12,586	3,730	10,124	2	579	73,125
Other Noncurrent Assets								
Goodwill	—	—	—	596	—	—	16,783	17,379
Regulatory assets	3,077	3,588	2,850	374	1,123	—	1,195	12,207
Nuclear decommissioning trust funds	3,621	2,463	731	—	—	—	(1)	6,814
Investments in equity method unconsolidated affiliates	—	—	—	—	—	86	—	86
Investments and advances to (from) subsidiaries	47	10	3	209	3	—	1	273
Other	910	565	293	17	170	—	7	1,962
Total other noncurrent assets	7,655	6,626	3,877	1,196	1,296	86	17,985	38,721
Total Assets	37,306	27,291	17,961	5,218	12,270	90	18,678	118,814
Intercompany balances and other	(256)	(137)	(95)	(212)	(74)	(55)	338	(491)
Reportable Segment Assets	\$ 37,050	\$ 27,154	\$ 17,866	\$ 5,006	\$ 12,196	\$ 35	\$ 19,016	\$ 118,323

(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)	September 30, 2017							
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Commercial Transmission	Eliminations/ Adjustments ^(b)	Electric Utilities and Infrastructure
Current Liabilities								
Accounts payable	\$ 726	\$ 271	\$ 744	\$ 170	\$ 188	\$ —	\$ 4	\$ 2,103
Accounts payable to affiliated companies	159	207	90	17	73	55	(157)	444
Notes payable to affiliated companies	468	—	—	5	—	—	(101)	372
Taxes accrued	372	139	145	112	148	—	5	921
Interest accrued	135	91	71	23	54	—	1	375
Current maturities of long-term debt	705	203	567	—	3	—	96	1,574
Asset retirement obligations	304	250	—	6	58	—	1	619
Regulatory liabilities	105	107	14	10	28	—	—	264
Other	435	318	309	70	111	—	(3)	1,240
Total current liabilities	3,409	1,586	1,940	413	663	55	(154)	7,912
Long-Term Debt	8,520	7,204	6,129	1,580	3,632	—	1,800	28,865
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	—	618
Other Noncurrent Liabilities								
Deferred income taxes	6,839	3,613	3,078	1,032	1,979	6	11	16,558
Asset retirement obligations	3,297	4,426	763	45	735	—	185	9,451
Regulatory liabilities	2,884	2,097	414	123	735	—	(1)	6,252
Accrued pension and other post-retirement benefit costs	108	246	257	32	78	—	1	722
Investment tax credits	234	144	5	1	147	—	—	531
Other	559	45	101	94	66	—	(8)	857
Total other noncurrent liabilities	13,921	10,571	4,618	1,327	3,740	6	188	34,371
Equity	11,156	7,780	5,274	1,880	4,085	29	16,844	47,048
Total Liabilities and Equity	37,306	27,291	17,961	5,218	12,270	90	18,678	118,814
Intercompany balances and other	(256)	(137)	(95)	(212)	(74)	(55)	338	(491)
Reportable Segment Liabilities and Equity	\$ 37,050	\$ 27,154	\$ 17,866	\$ 5,006	\$ 12,196	\$ 35	\$ 19,016	\$ 118,323

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Nine Months Ended September 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues					
Regulated natural gas	\$ 360	\$ 877	\$ —	\$ —	\$ 1,237
Nonregulated natural gas and other	—	7	—	(1)	6
Operating Revenues	360	884	—	(1)	1,243
Operating Expenses					
Cost of natural gas	69	333	—	—	402
Operation, maintenance and other	84	207	2	(2)	291
Depreciation and amortization	62	109	—	—	171
Property and other taxes	43	37	1	—	81
Total operating expenses	258	686	3	(2)	945
Operating Income (Loss)	102	198	(3)	1	298
Other Income and Expenses					
Equity in earnings of unconsolidated affiliates	—	—	57	—	57
Other income and expenses, net	4	(1)	—	—	3
Total other income and expenses	4	(1)	57	—	60
Interest Expense	21	56	—	1	78
Income Before Income Taxes	85	141	54	—	280
Income Tax Expense	29	52	20	—	101
Segment Income	\$ 56	\$ 89	\$ 34	\$ —	\$ 179

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

(b) Includes earnings from investments in ACP, Sabal Trail, Constitution and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Segment Income
(Unaudited)

(in millions)	Nine Months Ended September 30, 2016			
	Duke Energy Ohio ^(a)	Midstream Pipelines ^(b)	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	\$ 358	\$ —	\$ —	\$ 358
Operating Expenses				
Cost of natural gas	64	—	—	64
Operation, maintenance and other	89	1	—	90
Depreciation and amortization	59	—	—	59
Property and other taxes	44	—	—	44
Total operating expenses	256	1	—	257
Gains on Sales of Other Assets and Other, net	2	—	(2)	—
Operating Income (Loss)	104	(1)	(2)	101
Other Income and Expenses				
Equity in earnings of unconsolidated affiliates	—	11	—	11
Other income and expenses, net	2	—	—	2
Other Income and Expenses, net	2	11	—	13
Interest Expense	21	—	(2)	19
Income Before Income Taxes	85	10	—	95
Income Tax Expense	28	4	—	32
Segment Income	\$ 57	\$ 6	\$ —	\$ 63

- (a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes earnings from investments in ACP and Sabal Trail pipelines.

GAS UTILITIES AND INFRASTRUCTURE
Consolidating Balance Sheets - Assets
(Unaudited)

(in millions)	September 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	\$ 2	\$ 12	\$ —	\$ —	\$ 14
Receivables, net	(15)	77	—	1	63
Receivables from affiliated companies	8	68	—	(68)	8
Notes receivable from affiliated companies	29	—	—	(8)	21
Inventory	45	53	—	—	98
Regulatory assets	11	133	—	—	144
Other	—	130	—	(1)	129
Total current assets	80	473	—	(76)	477
Property, Plant and Equipment					
Cost	2,845	6,578	—	1	9,424
Accumulated depreciation and amortization	(724)	(1,454)	—	—	(2,178)
Net property, plant and equipment	2,121	5,124	—	1	7,246
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	177	321	—	197	695
Investments in equity method unconsolidated affiliates	—	—	975	—	975
Investments and advances from subsidiaries	—	—	—	9	9
Other	6	12	18	(1)	35
Total other noncurrent assets	507	382	993	1,756	3,638
Total Assets	2,708	5,979	993	1,681	11,361
Intercompany balances and other	—	(22)	(26)	48	—
Reportable Segment Assets	\$ 2,708	\$ 5,957	\$ 967	\$ 1,729	\$ 11,361

- (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)	September 30, 2017				
	Duke Energy Ohio ^(a)	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments ^(b)	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	\$ 57	\$ 98	\$ —	\$ 1	\$ 156
Accounts payable to affiliated companies	20	8	85	(68)	45
Notes payable to affiliated companies	(5)	284	—	(8)	271
Taxes accrued	27	30	6	—	63
Interest accrued	10	24	—	1	35
Regulatory liabilities	5	(2)	—	—	3
Other	4	72	—	(2)	74
Total current liabilities	118	514	91	(76)	647
Long-Term Debt	461	2,037	—	180	2,678
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	476	1,021	60	(2)	1,555
Asset retirement obligations	29	15	—	—	44
Regulatory liabilities	110	627	—	16	753
Accrued pension and other post-retirement benefit costs	17	14	—	—	31
Investment tax credits	2	1	—	—	3
Other	57	138	—	1	196
Total other noncurrent liabilities	691	1,816	60	15	2,582
Equity	1,431	1,612	842	1,562	5,447
Total Liabilities and Equity	2,708	5,979	993	1,681	11,361
Intercompany balances and other	—	(22)	(26)	48	—
Reportable Segment Liabilities and Equity	\$ 2,708	\$ 5,957	\$ 967	\$ 1,729	\$ 11,361

- (a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

**Revenues By Customer Class
(Unaudited)**

(in millions)	Nine Months Ended September 30, 2017							Eliminations / Adjustments	Total
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana	Piedmont Natural Gas			
Regulated Electric Revenues									
Residential	\$ 2,110	\$ 1,392	\$ 1,910	\$ 544	\$ 761	\$ —	\$ —	\$ —	6,717
General service	1,689	962	1,068	324	584	—	—	—	4,627
Industrial	925	469	193	92	582	—	—	—	2,261
Wholesale	369	850	116	19	236	—	—	—	1,590
Change in unbilled	(13)	(15)	44	(6)	(4)	—	—	—	6
Other revenues	501	220	220	63	143	—	(114)	—	1,033
Total Electric Revenues	\$ 5,581	\$ 3,878	\$ 3,551	\$ 1,036	\$ 2,302	\$ —	\$ (114)	\$ —	16,234

Regulated Natural Gas Revenues									
Residential	\$ —	\$ —	\$ —	\$ 251	\$ —	\$ 458	\$ —	\$ —	709
Commercial	—	—	—	99	—	263	—	—	362
Industrial	—	—	—	13	—	95	—	—	108
Power Generation	—	—	—	—	—	65	—	—	65
Change in unbilled	—	—	—	(22)	—	(72)	—	—	(94)
Other revenues	—	—	—	19	—	68	—	—	87
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 360	\$ —	\$ 877	\$ —	\$ —	1,237

(in millions)	Nine Months Ended September 30, 2016						Eliminations / Adjustments	Total
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio ^(a)	Duke Energy Indiana			
Regulated Electric Revenues								
Residential	\$ 2,324	\$ 1,500	\$ 1,910	\$ 586	\$ 754	\$ —	\$ —	7,074
General service	1,779	1,021	1,033	335	557	—	—	4,725
Industrial	994	485	187	91	542	—	—	2,299
Wholesale	340	834	150	13	265	—	—	1,602
Change in unbilled	35	12	28	9	12	—	—	96
Other revenues	170	251	230	19	95	—	(131)	634
Total Electric Revenues	\$ 5,642	\$ 4,103	\$ 3,538	\$ 1,053	\$ 2,225	\$ —	\$ (131)	16,430

Regulated Natural Gas Revenues								
Residential	\$ —	\$ —	\$ —	\$ 243	\$ —	\$ —	\$ —	243
Commercial	—	—	—	97	—	—	—	97
Industrial	—	—	—	13	—	—	—	13
Change in unbilled	—	—	—	(8)	—	—	—	(8)
Other revenues	—	—	—	13	—	—	—	13
Total Natural Gas Revenues	\$ —	\$ —	\$ —	\$ 358	\$ —	\$ —	\$ —	358

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.

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

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

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

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

C - Net of \$28 million tax benefit. \$74 million recorded within Impairment charges and \$10 million recorded within Other Income and Expenses on the Condensed Consolidated Statements of Operations.

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

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

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

- A** - Net of \$120 million tax benefit. Includes \$1 million recorded within Operating Revenues, \$80 million recorded within Operating Expenses and \$234 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations. The interest expense primarily relates to losses on forward-starting interest rate swaps associated with the Piedmont acquisition financing.
- B** - Net of \$24 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Condensed Consolidated Statements of Operations.
- C** - Net of \$26 million tax benefit. Other-than-temporary impairment included within Equity in earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations.
- D** - Net of \$1 million tax expense. Operating results of the International Disposal Group, which exclude the impairment described below, recorded within (Loss) Income From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations.
- E** - Recorded within (Loss) Income From Discontinued Operations, net of tax on the Condensed Consolidated Statements of Operations. Includes an impairment charge related to certain assets in Central America, partially offset by a tax benefit related to previously sold businesses not related to the International Disposal Group.

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

DUKE ENERGY CORPORATION
Non-GAAP Financial Measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS.

Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy, adjusted for the dollar and per share impact of special items. As discussed below, special items represent certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation (GAAP Reported Earnings) and Diluted EPS Attributable to Duke Energy Corporation common stockholders (GAAP Reported EPS), respectively.

Special items included in the periods presented include the following items which management believes do not reflect ongoing costs:

- Costs to Achieve Mergers represent charges that result from strategic acquisitions.
- Cost Savings Initiatives represent severance charges related to company-wide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.
- Commercial Renewables Impairments represents other-than-temporary and asset impairments.
- Florida Settlement represents an impairment charge related to the Levy nuclear project based on a settlement agreement approved by regulators.

Adjusted earnings also include operating results of the International Disposal Group, which have been classified as discontinued operations. Management believes inclusion of the operating results of the Disposal Group within adjusted earnings and adjusted diluted EPS results in a better reflection of Duke Energy's financial performance during the period.

Due to the forward-looking nature of any forecasted adjusted earnings guidance, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods (such as legal settlements, the impact of regulatory orders, or asset impairments).

Management evaluates segment performance based on segment income and other net expense. Segment income is defined as income from continuing operations attributable to Duke Energy. Segment income includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements. Management also uses adjusted segment income as a measure of historical and anticipated future segment performance. Adjusted segment income is a non-GAAP financial measure, as it is based upon segment income adjusted for special items, which are discussed above. Management believes the presentation of adjusted segment income provides useful information to investors, as it provides them with an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment income or adjusted other net expense is segment income and other net expense.

Due to the forward-looking nature of any forecasted adjusted segment income or adjusted other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, as discussed above.


Duke Energy's adjusted earnings, adjusted diluted EPS, and adjusted segment income may not be comparable to similarly titled measures of another company because other companies may not calculate the measures in the same manner.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **November 20, 2017**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	 DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-0165465

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On November 20, 2017, Duke Energy Progress, LLC (“DEP”) and the Public Staff - North Carolina Utilities Commission (the “Public Staff”) notified the North Carolina Utilities Commission (the “NCUC”) that DEP and the Public Staff (the “Parties”) had reached a preliminary partial settlement in principle (the “Preliminary Settlement”) related to certain issues in the rate case which DEP filed on June 1, 2017, with the NCUC.

The Preliminary Settlement includes, among other things, a return on equity of 9.9% based upon a capital structure of 52% equity and 48% debt. The parties have not reached a compromise on coal ash basin deferred costs to be recovered and amortization period, and ongoing coal ash costs to be included in rates, as well as deferred storm costs to be recovered and amortization period. An overview providing detail on the terms of the Preliminary Settlement is attached to this Form 8-K as Exhibit 99.1.

The parties will endeavor to file a final, definitive partial settlement agreement with further details and supporting testimony prior to the commencement of the evidentiary hearing, currently scheduled to begin on November 27, 2017. A partial settlement will be subject to the review and approval by the NCUC.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Duke Energy Progress Summary of 2017 Rate Case Filing in North Carolina

EXHIBIT INDEX

Exhibit	Description
99.1	<u>Duke Energy Progress Summary of 2017 Rate Case Filing in North Carolina</u>

3

SIGNATURE

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

Dated: November 20, 2017

DUKE ENERGY CORPORATION

/s/ Julia S. Janson

Julia S. Janson

Executive Vice President, External Affairs, Chief Legal Officer and Corporate Secretary

Exhibit 99.1

**Duke Energy Progress
Summary of 2017 Rate Case Filing in North Carolina
(Docket No. E-2, Sub 1142)**

Preliminary Notice of Partial Settlement

- On Nov. 20, 2017, Duke Energy Progress (DEP) and the Public Staff - North Carolina Utilities Commission (Public Staff) notified the North Carolina Utilities Commission (NCUC) that DEP and Public Staff (the Parties) have reached a preliminary partial settlement in principle (Preliminary Settlement) related to certain issues in the docket
- Key matters resolved in the Preliminary Settlement include:
 - Return on equity of 9.9% based upon a capital structure of 52% equity and 48% debt
 - Certain adjustments will be made to rate base for the Mayo Zero Liquid Discharge and Sutton combustion turbine projects
 - The deferred tax liability resulting from the NC state income tax change will be returned to customers over four years (rather than five years as proposed by DEP)
 - The company's depreciation rates shall be based on DEP's filed Depreciation Study, with exceptions to be further defined in the final agreement.
 - Other revenue requirement, cost of service and rate design matters will be further defined in the final agreement and be based upon updated property, plant & equipment, accumulated depreciation and revenues calculated through Oct. 31, 2017
- Key issues on which the parties have not reached a compromise include:
 - Coal ash basin deferred costs to be recovered and amortization period, and ongoing coal ash costs to be included in rates
 - Deferred storm costs to be recovered and amortization period
- The parties will endeavor to file a final, definitive partial settlement agreement with further details and supporting testimony prior to the commencement of the evidentiary hearing, currently scheduled to begin on Nov. 27, 2017
- A partial settlement will be subject to the review and approval by the NCUC

Background

- On June 1, 2017, DEP filed a rate case with the NCUC to request an average 14.9 percent increase in retail revenues, or approximately \$477 million:
 - The rate case filing requested an overall rate of return of 7.66% based on approval of a 10.75% return on equity and a 53% equity component of the capital structure
 - The filing is based on a North Carolina rate base of \$8.1 billion as of December 31, 2016 and adjusted for known and measurable changes through August 2017 (hearings are expected to commence late this year)
- This rate increase request is driven by:

Drivers	Revenue Requirement	% of Total Request
Significant Plant Additions and Changes	\$ 253 million	53%
Coal Ash Pond Closure costs	\$ 195 million	41%
All other changes to rate base, operating costs, and operating revenues	\$ 29 million	6%

- **Major capital investments(1) including pro-forma adjustments to reflect known and measurable changes include:**
 - Four new solar sites - \$184 million
 - Combustion Turbine Units at the Sutton site - \$120 million
 - Additional investment to complete the combined cycle natural gas-fueled units at the Sutton site (Construction Work-In-Progress included in the 2013 rate case) - \$103 million
 - Zero Liquid Discharge wastewater treatment system at the Mayo site - \$141 million
 - Construction Work-In-Progress for the new natural gas-fueled units at the Asheville site (Western Carolinas Modernization Project) - \$193 million

- **Coal Ash Pond Closure costs include:**
 - \$67 million to recover previously incurred expenses over a five year period
 - \$129 million for ongoing expenses

- The request also included the recovery of deferred storm costs, including costs incurred to restore service from the historic impacts of Hurricane Matthew, in the amount of \$30 million per year for three years.

- The Company has requested the NCUC approve the requested rates to be effective Jan. 1, 2018


(1) Represents Duke Energy Progress total investment, which is allocated ~60% to NC.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **November 22, 2017**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	 DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-3382	DUKE ENERGY PROGRESS, LLC (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-0165465

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Information.

On November 22, 2017, Duke Energy Progress, LLC (“DEP”) and the Public Staff - North Carolina Utilities Commission (the “Public Staff”) filed an Agreement and Stipulation of Partial Settlement (the “Stipulation”) with the North Carolina Utilities Commission (the “NCUC”) resolving certain issues in the rate case which DEP filed on June 1, 2017, with the NCUC. The items addressed in detail in the Stipulation are consistent with those included in the Preliminary Notice of Partial Settlement filed with the NCUC on November 20, 2017, and disclosed in the Form 8-K filed by DEP on the same date.

The Stipulation includes, among other things, a return on equity of 9.9% based upon a capital structure of 52% equity and 48% debt. As a result of certain adjustments to be made to rate base for the Mayo Zero Liquid Discharge and Sutton combustion turbine projects, Duke Energy will take an estimated pre-tax impairment charge of approximately \$25 million in the fourth quarter of 2017 which will be treated as a special item and excluded from adjusted diluted earnings per share. An overview providing detail on the terms of the Stipulation is attached to this Form 8-K as Exhibit 99.1.

The parties have not reached a compromise on coal ash basin deferred costs to be recovered and amortization period, and ongoing coal ash costs to be included in rates, as well as deferred storm costs to be recovered and amortization period.

An evidentiary hearing on the Stipulation and other issues in the case will commence on November 27, 2017. The Stipulation will be subject to the review and approval by the NCUC. DEP has requested that rates go into effect on February 1, 2018.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Duke Energy Progress Summary of 2017 Rate Case Filing in North Carolina

EXHIBIT INDEX

Exhibit	Description
99.1	<u>Duke Energy Progress Summary of 2017 Rate Case Filing in North Carolina</u>

3

SIGNATURE

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

DUKE ENERGY CORPORATION

Dated: November 22, 2017

/s/ Julia S. Janson

Julia S. Janson

Executive Vice President, External Affairs, Chief Legal Officer and Corporate Secretary

Exhibit 99.1

**Duke Energy Progress
Summary of 2017 Rate Case Filing in North Carolina
(Docket No. E-2, Sub 1142)**

Background

- On June 1, 2017, Duke Energy Progress (DEP) filed a rate case with the North Carolina Utilities Commission (NCUC) to request an average 14.9 percent increase in retail revenues, or approximately \$477 million:
 - The rate case filing requested an overall rate of return of 7.66% based on approval of a 10.75% return on equity and a 53% equity component of the capital structure
 - The filing was based on a North Carolina rate base of \$8.1 billion as of Dec. 31, 2016 and adjusted for known and measurable changes through August 2017
- On Nov. 22, 2017, DEP and the Public Staff - North Carolina Utilities Commission (Public Staff), the State’s consumer representative, filed an Agreement and Stipulation of Partial Settlement (Stipulation) resolving certain issues in the base rate proceeding
 - Items addressed in detail in the Stipulation are consistent with those included in the Preliminary Notice of Partial Settlement filed with the NCUC on Nov. 20, 2017

Major Components of the Stipulation

- \$127 million annual customer rate increase prior to reductions from the return to customers of excess deferred income taxes (EDIT) over four years. After applying the EDIT reductions, the average annual retail rate increase is \$85 million. This equates to a 4.0% average retail rate increase and 2.6% increase after the EDIT reduction.
- Return on equity of 9.9% based upon a capital structure of 52% equity and 48% debt
- Certain adjustments will be made to rate base for the Mayo Zero Liquid Discharge and Sutton combustion turbine projects
- The deferred tax liability resulting from the NC state income tax change will be returned to customers over four years (rather than five years as proposed by DEP)
- The company’s depreciation rates shall be based on DEP’s filed Depreciation Study, with exceptions as defined in the Stipulation

Additional Information

- Key issues on which the parties have not reached a compromise include:
 - Coal ash basin deferred costs to be recovered and amortization period, and ongoing coal ash costs to be included in rates
 - Deferred storm costs to be recovered and amortization period
- As a result of the Stipulation, Duke Energy will take an estimated pre-tax impairment charge of approximately \$25 million in Q4 2017, primarily related to the Mayo and Sutton items described above, which will be treated as a “special item” (excluded from adjusted diluted earnings per share)
- The Stipulation is subject to the review and approval of the NCUC. An evidentiary hearing to review the Stipulation and other issues in the case will start on Nov. 27, 2017
- DEP has requested new rates go into effect Feb. 1, 2018

Estimated Annual Rate Increase Impacts to Customer Bills

(\$ in millions)	Years 1-4	Thereafter
Annualized base rates	\$ 127	\$ 127
Return of Excess Deferred Income Taxes over 4-year period	(43)	---
Cumulative Net Annualized Customer Increase (\$)	\$ 85	\$ 127
Cumulative Net Annualized Customer Increase (%)	2.6%	4.0%

Reconciliation of Request to Reflect Stipulation

(\$ in millions)	Years 1-4	Thereafter
Original request	\$ 477	\$ 477
Post-filing, pre-Stipulation adjustments to filed request	\$ (57)	\$ (57)
Amounts included in Company request to be decided by the Commission (Storm deferral and coal ash cost recovery)	\$ (221)	\$ (221)
Company request for items addressed in the partial settlement	\$ 200	\$ 200
Agreed upon adjustments:		
Move return of Excess Deferred Income Taxes from base rates to rider	\$ 38	\$ 38
Reduced ROE	\$ (57)	\$ (57)
Reduced equity component of capital structure	\$ (10)	\$ (10)
Reduction in depreciation expense	\$ (15)	\$ (15)
Reduction in Customer Connect costs (to be deferred with a return)	\$ (8)	\$ (8)
Other revenue reductions	\$ (19)	\$ (19)
Total agreed upon adjustments	\$ (72)	\$ (72)
Return of Excess Deferred Income Taxes over 4-year period through a rider	\$ (43)	
Revenue increase related to agreed upon items	\$ 85	\$ 127


Totals may not add due to rounding.

**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 14, 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On December 14, 2017, Robert M. Davis was appointed to the Board of Directors (the "Board") of Duke Energy Corporation (the "Corporation"), effective January 8, 2018. Mr. Davis has been appointed to the Board's Audit Committee and Finance and Risk Management Committee. Mr. Davis has been Chief Financial Officer and Executive Vice President, Global Services for Merck & Co., Inc. since April 2014. Prior to Merck, Mr. Davis worked for Baxter International, Inc. as Corporate Vice President and President of Medical Products from 2010 to 2014, Corporate Vice President and President of Baxter's renal business in 2014, Corporate Vice President and Chief Financial Officer from 2006 to 2010, and Treasurer from 2004 to 2006. Mr. Davis has served on the Board of Directors for C.R. Bard, Inc. since October 2015.

The Board has determined that Mr. Davis 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. Davis' directorship will expire, along with the Corporation's other directors' terms, at the next annual meeting of shareholders.

As a non-employee director of the Corporation, Mr. Davis will receive a pro-rated payment of the cash and stock annual retainer, will be eligible for other retainers (if applicable) in accordance with the Corporation's Director Compensation Program, as set forth on Exhibit 10.3 of the Company's Form 10-Q, filed with the SEC on August 3, 2017, 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 23, 2017. Mr. Davis is subject to the Corporation's Stock Ownership Guidelines, which require outside directors to own Duke Energy Corporation 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 \$625,000) 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: December 14, 2017

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