

**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 5

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): **February 20, 2018**



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.
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Item 1.01. Entry into a Material Definitive Agreement.

On February 20, 2018, Duke Energy Corporation (the “Company”) entered into an Equity Distribution Agreement dated February 20, 2018 (the “Equity Distribution Agreement”) with Wells Fargo Securities, LLC (“Wells Fargo”), Citigroup Global Markets Inc. (“Citigroup”) and J.P. Morgan Securities LLC (“J.P. Morgan”), each acting as agent for the Company (each, a “Sales Agent” and collectively, the “Sales Agents”) and Wells Fargo Bank, National Association, Citibank, N.A. and JPMorgan Chase Bank, National Association, each acting as forward purchaser (each, a “Forward Purchaser” and collectively, the “Forward Purchasers”), establishing an at-the-market equity distribution program (the “ATM Program”) pursuant to which the Company, through the Sales Agents, may issue, offer and sell up to an aggregate sales price of \$1,000,000,000 of shares of the Company’s common stock, par value \$0.001 per share (“Common Stock”) over a period of time and from time to time.

In addition to the issuance, offering and sale of shares of Common Stock through the Sales Agents, the Company may enter into one or more separate forward sale agreements (each, a “Forward Sale Agreement” and collectively, the “Forward Sale Agreements”) with the Forward Purchasers. In connection with each Forward Sale Agreement, the relevant Forward Purchaser will, at the Company’s request, borrow from third parties and, through its relevant agent, sell a number of shares of Common Stock equal to the number of shares of Common Stock that underlie the Forward Sale Agreement (each of Wells Fargo, Citigroup and J.P. Morgan, in its capacity as agent for a Forward Purchaser, a “Forward Seller” and collectively, the “Forward Sellers”).

The Company will not initially receive any proceeds from the sale of borrowed shares of Common Stock by a Forward Seller. The Company expects to receive proceeds from the sale of shares of Common Stock upon future physical settlement of the relevant Forward Sale Agreement with the relevant Forward Purchaser on dates specified by the Company on or prior to the maturity date of the relevant Forward Sale Agreement. If the Company elects to cash settle or net share settle a Forward Sale Agreement, the Company may not (in the case of cash settlement) or will not (in the case of net share settlement) receive any proceeds, and the Company may owe cash (in the case of cash settlement) or shares of Common Stock (in the case of net share settlement) to the relevant Forward Purchaser.

The shares of Common Stock will be offered at market prices prevailing at the time of sale. The sales proceeds from any shares of Common Stock sold through each Sales Agent under the Equity Distribution Agreement, after deducting such Sales Agent’s commission and any expenses payable by the Company and any transaction fees imposed by any governmental, regulatory or self-regulatory organization in connection with the sales, will be the Company’s net proceeds for the sale of the shares. In connection with each Forward Sale Agreement, the relevant Forward Seller will receive, reflected in a reduced initial forward price payable by the relevant Forward Purchaser under its Forward Sale Agreement, a specified commission relating to all borrowed shares of Common Stock sold during the applicable period by it as a Forward Seller.

The shares will be offered pursuant to the Company’s prospectus supplement, dated February 20, 2018, and the Company’s automatic shelf registration statement on Form S-3, as amended (File No. 333-213765) originally filed with the Securities and Exchange Commission (the “SEC”) on September 23, 2016 and subsequently filed on January 26, 2017.

The foregoing description of the Equity Distribution Agreement and the Forward Sale Agreement does not purport to be complete and is qualified in its entirety by reference to the terms and conditions of the Equity Distribution Agreement and the Form of Forward Sale Agreement, which are filed as Exhibits 99.1 and 10.1, respectively, and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibits.
- 5.1 Opinion regarding validity of the shares of Common Stock
- 10.1 Form of Forward Sale Agreement
- 23.1 Consent (included as part of Exhibit 5.1)
- 99.1 Equity Distribution Agreement dated February 20, 2018, among the Company and Wells Fargo Securities, LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, acting as sales agents and/or forward sellers, and Wells Fargo Bank, National Association, Citibank, N.A. and JPMorgan Chase Bank, National Association, acting as forward purchasers

Information Regarding Forward-Looking Statements

This current report includes forward-looking statements. Duke Energy Corporation based these forward-looking statements on its current expectations about future events in light of its knowledge of facts as of the date of this current report and its assumptions about future circumstances. Investors are cautioned that any such forward-looking statements are subject to risks and uncertainties and that actual results may differ materially from those projected in the forward-looking statements. The Company assumes no obligation to update any such forward-looking statement. Prospective investors should also review the risks and uncertainties included in the Company's most recent Annual Report on Form 10-K and the Company's reports on Forms 10-Q and 8-K filed with the SEC, including Management's Discussion and Analysis of Financial Condition and Results of Operations and the risks described therein from time to time.

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
5.1	<u>Opinion regarding validity of the shares of Common Stock</u>
10.1	<u>Form of Forward Sale Agreement</u>
23.1	<u>Consent (included as part of Exhibit 5.1)</u>
99.1	<u>Equity Distribution Agreement February 20, 2018, among the Company and Wells Fargo Securities, LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, acting as sales agents and/or forward sellers, and Wells Fargo Bank, National Association, Citibank, N.A. and JPMorgan Chase Bank, National Association, acting as forward purchasers</u>

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: February 20, 2018

DUKE ENERGY CORPORATION

By: /s/ Robert T. Lucas III

Name: Robert T. Lucas III

Title: Assistant Corporate Secretary

Exhibit 5.1

DUKE ENERGY BUSINESS SERVICES LLC
550 S. Tryon Street
Charlotte, North Carolina 28202
February 20, 2018

Duke Energy Corporation
550 S. Tryon Street
Charlotte, North Carolina 28202-4200

Re: Duke Energy Corporation's Shares of Common Stock, Par Value \$0.001 Per Share to be Sold Under the Equity Distribution Agreement

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 proposed issuance and sale of shares (the "Shares") of common stock of the Company, par value \$0.001 per share, having an aggregate sales price of up to \$1,000,000,000, in one or more public offerings over a period of time and from time to time, pursuant to (i) the Equity Distribution Agreement dated February 20, 2018 (the "Equity Distribution Agreement") with Wells Fargo Securities, LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, as sales agents, and Wells Fargo Bank, National Association, Citibank, N.A. and JPMorgan Chase Bank, National Association, as forward purchasers (each, a "Forward Purchaser" and collectively, the "Forward Purchasers") and (ii) forward sales transactions, as to be set forth in one or more letter agreements that may be entered into between the Company and a Forward Purchaser (each, a "Forward Sale Agreement" and collectively, the "Forward Sale Agreements").

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 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 Shares 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 prospectus supplement, dated February 20, 2018, and the prospectus, dated January 26, 2017, relating to the offering of the Shares in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations (the "Prospectus");

(d) 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;

(e) the Amended and Restated By-laws of the Company, effective as of January 4, 2016;

(f) an executed copy of the Equity Distribution Agreement;

(g) a form of the Forward Sale Agreement; and

(h) 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 resolutions of the Board of Directors of the Company, adopted on August 24, 2017 relating to the establishment of the Company's at-the-market equity offering program.

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.

Based upon the foregoing, I am of the opinion that the Shares have been duly authorized and, when issued in accordance with the terms of the Equity Distribution Agreement, any Forward Sale

Agreement, the Registration Statement and the Prospectus, the Shares will be validly issued, fully paid and nonassessable.

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 10.1

[Dealer]
c/o [Agent]
as Agent for [Dealer]
[Street Address]
[City, State and Zip Code]
[Telephone]

DATE: [•], 20[•]
TO: Duke Energy Corporation
ATTENTION: 550 South Tryon Street
Charlotte, North Carolina 28202-1803
TELEPHONE []
FROM: [Agent], acting as Agent for [Dealer]
TELEPHONE: []
SUBJECT: Issuer Forward Transaction
[Reference Number(s): []

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the Transaction entered into between [Dealer] (“**Dealer**”), through its agent [Agent] (the “**Agent**”), and Duke Energy Corporation (“**Counterparty**”), on the Trade Date specified below (the “**Transaction**”). This Confirmation constitutes a “Confirmation” as referred to in the Agreement specified below. This Confirmation is a confirmation for purposes of Rule 10b-10 promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

This Confirmation evidences a complete and binding agreement between Dealer and Counterparty as to the terms of the Transaction to which this Confirmation relates and supersedes all prior or contemporaneous written or oral communications with respect thereto. This Confirmation, together with any other Confirmations for registered forward transactions entered into between Dealer and Counterparty (each, an “**Additional Confirmation**”), shall supplement, form a part of, and be subject to an agreement (the “**Agreement**”) in the form of the 1992 ISDA Master Agreement (Multicurrency — Cross Border) as if Dealer and Counterparty had executed an agreement in such form (without any Schedule but with the elections set forth in this Confirmation) on the Trade Date. The Transaction and the Transactions to which the Additional Confirmations, if any, relate (each, an “**Additional Transaction**”) shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between Dealer and Counterparty or any confirmation or other agreement between Dealer and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between Dealer and Counterparty, other than the Additional Confirmations, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which Dealer and Counterparty are parties, the Transaction shall not be considered a Transaction under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

The definitions and provisions contained in the 2006 ISDA Definitions (the “**Swap Definitions**”) and the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**”) as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) are incorporated into this Confirmation. Any reference to a currency shall have the meaning contained in Section 1.7 of the 2006 ISDA Definitions as published by ISDA.

THIS CONFIRMATION AND THE AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE THAT WOULD APPLY THE LAWS OF ANOTHER JURISDICTION. NOTWITHSTANDING THE FOREGOING, OR ANYTHING TO THE CONTRARY IN THIS CONFIRMATION OR THE AGREEMENT, COUNTERPARTY DOES NOT BY THIS CONFIRMATION OR THE TRANSACTION HEREUNDER SUBMIT TO THE JURISDICTION OF ANY FOREIGN NATION OR FOREIGN SUPRANATIONAL ORGANIZATION OR SUCH ENTITY’S LAWS OR REGULATIONS, INCLUDING WITHOUT LIMITATION THE EUROPEAN MARKET INFRASTRUCTURE REGULATION. THIS CONFIRMATION, THE AGREEMENT AND THE TRANSACTION ARE INTENDED TO BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK AND NOT THE LAWS, RULES OR REGULATIONS OF ANY FOREIGN JURISDICTION.

THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.

Each of Dealer and Counterparty acknowledges to and agrees with the other party hereto and to and with the Agent that (i) the Agent is acting as agent for Dealer under the Transaction pursuant to instructions from Dealer, (ii) the Agent is not a principal or party to the Transaction, and may transfer its rights and obligations with respect to the Transaction, it being understood that no such transfer shall release Dealer from any of its obligations with respect to the Transaction, (iii) the Agent shall have no responsibility, obligation or liability, by way of issuance, guaranty, endorsement or otherwise in any manner with respect to the performance of either party under the Transaction, (iv) Dealer and the Agent have not given, and Counterparty is not relying (for purposes of making any investment decision or otherwise) upon, any statements, opinions or representations (whether written or oral) of Dealer or the Agent, other than the representations expressly set forth in this Confirmation or the Agreement, and (v) each party agrees to proceed solely against the other party, and not the Agent, to collect or recover any money or securities owed to it in connection with the Transaction. Each party hereto acknowledges and agrees that the Agent is an intended third party beneficiary hereunder. Counterparty acknowledges that the Agent is an affiliate of Dealer. Dealer will be acting for its own account in respect of this Confirmation and the Transaction contemplated hereunder.

The time of dealing for the Transaction will be confirmed by Dealer upon written request by Counterparty. The Agent will furnish to Counterparty upon written request a statement as to the source and amount of any remuneration received or to be received by the Agent in connection with the Transaction.

1. In the event of any inconsistency among this Confirmation, the Swap Definitions, the Equity Definitions or the Agreement, the following will prevail for purposes of the Transaction in the order of precedence indicated: (i) this Confirmation; (ii) the Equity Definitions; (iii) the Swap Definitions and (iv) the Agreement.

2. Each party will make each payment specified in this Confirmation as being payable by such party not later than the specified due date, for value on that date in the place of the account specified below or otherwise specified in writing, in freely transferable funds and in a manner customary for payments in the required currency.

3. **General Terms:**

Buyer:	Dealer.
Seller:	Counterparty.
Trade Date:	[•], 20[•].
Effective Date:	The first day occurring on or after the Trade Date on which Shares that are sold through [the Agent], acting as forward seller for Dealer, pursuant to the Equity Distribution Agreement (as hereinafter defined) have settled.
Number of Shares:	The aggregate number of Shares that are sold through the Agent acting as forward seller for Dealer pursuant to the Equity Distribution Agreement during the period from and including the Trade Date through and including the Hedge Completion Date; <i>provided, however</i> , that on each Settlement Date, the Number of Shares shall be reduced by the number of Settlement Shares settled on such date.
Hedge Completion Date:	The earliest of (i) the date specified in writing as the Hedge Completion Date by Counterparty on or before such specified Hedge Completion Date, (ii) any Settlement Date and (iii) [•], 20[•]. Promptly after the Hedge Completion Date, Dealer will furnish Counterparty with a pricing supplement (the " Pricing Supplement ") substantially in the form of Annex B hereto specifying the Number of Shares as of the Hedge Completion Date (the " Initial Number of Shares "), the Initial Forward Price and the Spread, all determined in accordance with the terms hereof.
Initial Forward Price:	[•]% ¹ of the Adjusted Volume-Weighted Hedge Price.

¹ To be: 1 *minus* the Forward Hedge Selling Commission Rate (as defined in the Equity Distribution Agreement), expressed as a percentage.

Adjusted Volume-Weighted Hedge Price:	The volume weighted average price at which the Shares are sold through the Agent acting as forward seller for Dealer pursuant to the Equity Distribution Agreement during the period from and including the Trade Date through and including the Hedge Completion Date (adjusted as the Calculation Agent determines appropriate to (i) reflect on each day during such period the sum of 1 and the Daily Rate for such day multiplied by the then-Initial Forward Price as of such day and (ii) reduce the then-Initial Forward Price by the relevant Forward Price Reduction Amount on each Forward Price Reduction Date occurring on or before the Hedge Completion Date) (such period, the “ Initial Hedge Period ”).
Maturity Date:	[•], 20[•] (or, if such date is not a Clearance System Business Day, the next following Clearance System Business Day).
Daily Forward Price:	On the Hedge Completion Date, the Initial Forward Price, and on any other day, the Daily Forward Price as of the immediately preceding calendar day <i>multiplied by</i> the sum of (i) 1 <i>and</i> (ii) the Daily Rate for such day; <i>provided</i> that on each Forward Price Reduction Date (including, for the avoidance of doubt, any Forward Price Reduction Date occurring from the Trade Date to a date on or before the Effective Date), the Daily Forward Price in effect on such date shall be the Daily Forward Price otherwise in effect on such date, <i>minus</i> the Forward Price Reduction Amount for such Forward Price Reduction Date.
Daily Rate:	For any day, (i)(A) USD-Federal Funds Rate for such day, <i>minus</i> (B) the Spread, <i>divided by</i> (ii) 365. For the avoidance of doubt, the Daily Rate may be negative.
USD-Federal Funds Rate	For any day, the rate set forth for such day opposite the caption “Federal funds”, as such rate is displayed on the page “OBFR01 <Index> <GO>” on the BLOOMBERG Professional Service, or any successor page; <i>provided</i> that if no rate appears for any day on such page, the rate for the immediately preceding day for which a rate appears shall be used for such day.
Spread:	[•] ²
Forward Price Reduction Date:	Each ex-dividend date for the Shares as set forth in Schedule I hereto.
Forward Price Reduction Amount:	For each Forward Price Reduction Date, the Forward Price Reduction Amount set forth opposite such date on Schedule I.
Shares:	Common stock, \$0.001 par value per share, of Counterparty (Exchange identifier: “DUK”).
Exchange:	New York Stock Exchange.

² To be as recorded in the applicable Placement Notice (as amended by the corresponding Acceptance, if applicable), with each such term as defined in the Equity Distribution Agreement.

Related Exchange(s): All Exchanges.
Clearance System: The Depository Trust Company.

Valuation:

Designated Valuation: Subject to Section 9 of this Confirmation, Counterparty shall have the right to designate a date (a “**Designated Date**”) occurring on or prior to the Maturity Date for a valuation and settlement of the Transaction with respect to all or a portion of the Undesignated Shares as of the Designated Date by written notice to Dealer delivered no later than the applicable Settlement Method Election Date; *provided* that Counterparty may not designate a Designated Date occurring during an Unwind Period that is not the Designated Date for such Unwind Period. The portion of the Undesignated Shares designated for valuation and settlement in respect of a Designated Date shall be the “**Designated Shares**” for such Designated Date. If the number of Undesignated Shares on the Maturity Date is greater than zero, then the Maturity Date will be a Designated Date for a Physical Settlement with a number of Designated Shares equal to such number of Undesignated Shares.

Valuation Date: With respect to any Physical Settlement, the relevant Designated Date. With respect to any Cash Settlement or Net Share Settlement, the last day of the related Unwind Period.

Undesignated Shares: At any time, the Number of Shares *minus* the aggregate number of Designated Shares for all Designated Dates occurring prior to such time.

Unwind Period: For any Cash Settlement or Net Share Settlement, a period beginning on, and including, the Designated Date and ending on the date on which Dealer or its affiliates finishes unwinding Dealer’s Hedge Positions in respect of such Designated Date.

Market Disruption Event: Section 6.3(a) of the Equity Definitions shall be amended by deleting the words “at any time during the one hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be” and replacing them with the words “at any time during the regular trading session on the Exchange, without regard to after hours or any other trading outside of the regular trading session hours”, and by replacing “or (iii) an Early Closure” with: “(iii) an Early Closure, or (iv) a Regulatory Disruption.”

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

Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a

closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full.

A “**Regulatory Disruption**” shall occur if Dealer determines in good faith and in its reasonable discretion, based on advice of counsel, that it is appropriate in light of legal, regulatory or self-regulatory requirements or related policies or procedures (so long as such requirements, policies or procedures, if voluntarily adopted by Dealer, generally are applicable in similar circumstances and are not arbitrarily or capriciously applied) for Dealer (or its agent or affiliate) to refrain from all or any part of the market activity in which it would otherwise engage in connection with the Transaction.

Consequences of Disrupted Days:

As set forth in Section 9 of this Confirmation.

Settlement:

Settlement Date:

The date one Settlement Cycle following each Valuation Date, except that in the case of Physical Settlement, the date two Clearance System Business Days following the relevant Designated Date.

Settlement Method Election:

Applicable; *provided* that:

- (i) Net Share Settlement shall be deemed to be included as an additional potential settlement method under Section 7.1 of the Equity Definitions;
- (ii) Counterparty may elect Cash Settlement or Net Share Settlement only if Counterparty represents and warrants to Dealer in writing that, as of the date of such election,
 - (A) Counterparty is not aware of any material nonpublic information concerning itself or the Shares;
 - (B) Counterparty is electing the settlement method and designating the related Designated Date in good faith and not as part of a plan or scheme to evade compliance with Rule 10b-5 under the Exchange Act (“**Rule 10b-5**”) or any other provision of the federal securities laws;
 - (C) Counterparty is not “insolvent” (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the “**Bankruptcy Code**”));
 - (D) Counterparty would be able to purchase, in open market transactions, a number of Shares equal to the number of related Designated Shares (or, if greater in the case of a Net Share Settlement, a number of Shares

with a value as of the date of such election equal to the product of (I) such number of Designated Shares and (II) the then-current Daily Forward Price) in compliance with the laws of Counterparty's jurisdiction of organization;

- (E) Counterparty is not electing Cash Settlement or Net Share Settlement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act or any other applicable laws; and
 - (F) such election, and settlement in accordance therewith, does not and will not violate or conflict with any law, regulation or supervisory guidance applicable to Counterparty, or any order or judgment of any court or other agency of government applicable to it or any of its assets, and any governmental consents that are required to have been obtained by Counterparty with respect to such election or settlement have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (iii) Notwithstanding any election to the contrary as of any Settlement Method Election Date, Physical Settlement shall be applicable:
- (A) to all of the Designated Shares for the relevant Designated Date if, on the relevant Settlement Method Election Date, (I) the trading price per Share on the Exchange (as determined by Dealer) is below fifty percent (50%) of the Initial Forward Price (the "**Threshold Price**") or (II) Dealer determines, in its good faith and reasonable judgment, that it would be unable to purchase a number of Shares in the market sufficient to unwind its hedge position in respect of the Transaction and satisfy its delivery obligation hereunder, if any, by the Maturity Date (taking into account any overlapping unwind periods in any Additional Transactions) (x) in a manner that (A) would, if purchases by Dealer were considered purchases by Counterparty or by an affiliated purchaser of Counterparty, be compliant with the safe harbor provided by Rule 10b-18(b) under the Exchange Act and (B) based on the advice of counsel, would not raise material risks under applicable securities laws or (y) due to the lack of sufficient liquidity in the Shares (each, a "**Trading Condition**");

or

(B) to all or a portion of the Designated Shares for the relevant Designated Date if, on any day during the relevant Unwind Period, (I) the trading price per Share on the Exchange (as determined by Dealer) is below the Threshold Price or (II) Dealer determines, in its good faith and reasonable judgment, that a Trading Condition has occurred, in which case the provisions set forth below in Section 9(c) shall apply as if such day were the “Early Valuation Date” and (x) for purposes of clause (i) of such paragraph, such day shall be the last Unwind Date of such Unwind Period and the “Unwound Shares” shall be calculated to, and including, such day and (y) for purposes of clause (ii) of such paragraph, the “Remaining Amount” shall be equal to the number of Designated Shares for the relevant Designated Date *minus* the Unwound Shares determined in accordance with clause (x) of this sentence.

Electing Party:	Counterparty.
Settlement Method Election Date:	The [second] Scheduled Trading Day immediately preceding the relevant Designated Date, except that in the case of Physical Settlement, the date specified in writing by Counterparty no later than 5:00 p.m., New York City time, on the relevant Designated Date.
Default Settlement Method:	Physical Settlement.
Physical Settlement:	If Physical Settlement is applicable, then on the relevant Settlement Date, Dealer will pay to Counterparty an amount equal to the product of (x) the number of Designated Shares for the related Designated Date and (y) the Daily Forward Price on such Settlement Date and Counterparty will deliver to Dealer a number of Shares equal to such number of Designated Shares. Section 9.2 of the Equity Definitions (other than the last sentence thereof) will not apply to any Physical Settlement.
Prepayment:	Not Applicable.
Variable Obligation:	Not Applicable.
Cash Settlement Payment Date:	The second Currency Business Day following each Valuation Date.
Forward Cash Settlement Amount:	The aggregate sum, for all Unwind Dates in the relevant Unwind Period, of the Daily Cash Settlement Amounts.
Daily Cash Settlement Amount:	For any Unwind Date, the product of (i) the Daily Share Number of such Unwind Date and (ii)(A) the Settlement Price for such Unwind Date <i>minus</i> (B) the Daily Forward Price on the day that is one Settlement Cycle immediately following such Unwind Date.

Unwind Date:	Each Exchange Business Day during the Unwind Period on which Dealer or its affiliates unwind any portion of Dealer's Hedge Positions in respect of the relevant Designated Date.
Daily Share Number:	For any Unwind Date, the number of Designated Shares with respect to which Dealer or its affiliates unwind any portion of Dealer's Hedge Positions in respect of the relevant Designated Date.
Settlement Price:	For any Unwind Date, the weighted average price per Share at which Dealer or its affiliates unwind any portion of Dealer's Hedge Positions on such Unwind Date in respect of the relevant Designated Date [<i>plus</i> USD [•]].
Net Share Settlement:	<p>If Net Share Settlement is applicable, then on the relevant Net Share Settlement Date:</p> <ul style="list-style-type: none">(i) if the Net Share Settlement Number is positive, then Counterparty will deliver to Dealer a number of Shares equal to the Net Share Settlement Number; and(ii) if the Net Share Settlement Number is negative, then Dealer will deliver to Counterparty a number of Shares equal to the absolute value of the Net Share Settlement Number; <p>in either case in accordance with Section 9.2 (last sentence only), 9.4 (with the Net Share Settlement Date deemed to be a "Settlement Date" for purposes of such Section 9.4), 9.8, 9.9, 9.11 (as modified herein) and 9.12 of the Equity Definitions as if Physical Settlement were applicable.</p>
Net Share Settlement Number:	A number of Shares equal to the sum of (i) the Aggregate Net Share Number as of the last Unwind Date in any Unwind Period and (ii) the sum of the quotients (rounded to the nearest whole number), for each Unwind Adjustment Amount for such Unwind Period, obtained by dividing (x) such Unwind Adjustment Amount by (y) the Settlement Price on the Forward Price Reduction Date relating to such Unwind Adjustment Amount.
Aggregate Net Share Number:	As of any date, the aggregate sum, for all Unwind Dates in the relevant Unwind Period occurring on or prior to such date, of the quotient (rounded to the nearest whole number) obtained by dividing (x) the Daily Cash Settlement Amount for such Unwind Date by (y) the Settlement Price for such Unwind Date.
Net Share Settlement Date:	The date one Settlement Cycle following each Valuation Date.
Unwind Adjustment Amount:	For any Unwind Period, for any Forward Price Reduction Date that occurs during the period from, and including, the date one Settlement Cycle immediately following the relevant Designated Date to, and including, the date one Settlement Cycle immediately following the relevant Valuation Date, an amount equal to the product of (i) the relevant Forward Price Reduction Amount <i>multiplied by</i> (ii) (A) if the Aggregate Net Share Number

as of the date immediately prior to the date one Settlement Cycle immediately preceding the relevant Forward Price Reduction Date is a positive number, such Aggregate Net Share Number or (B) otherwise, zero.

- Unwound Shares: For any Unwind Period at any time, the aggregate sum of the Daily Share Numbers for all Unwind Dates in such Unwind Period that have occurred prior to such time.
- Delivery of Shares: Notwithstanding anything to the contrary herein, either party may, by prior notice to the other party, satisfy its obligation to deliver any Shares or other securities on any date due (an “**Original Delivery Date**”) by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.
- Consequences of Late Delivery: Without limiting the generality of this Confirmation, the Agreement and the Equity Definitions, if for any reason Counterparty fails to deliver when due any Shares required to be delivered hereunder and a Forward Price Reduction Date occurs on or after the date such Shares are due and on or before the date such Shares are delivered, Counterparty acknowledges and agrees that, in addition to any other amounts for which Counterparty may be liable hereunder or under law (but without duplication), Counterparty shall be liable to Dealer for an amount equal to the product of the number of Shares so due but not yet delivered on or prior to such Forward Price Reduction Date and the Forward Price Reduction Amount for such Forward Price Reduction Date.
- Representation and Agreement: Section 9.11 of the Equity Definitions is hereby modified to exclude any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws that exist or arise as a result of the fact that Counterparty is the Issuer of the Shares.
- Share Adjustments:**
- Method of Adjustment: Calculation Agent Adjustment; provided that Section 11.2(e)(iii) shall be deleted and that the issuance of stock options, restricted stock or restricted stock units in the ordinary course pursuant to Counterparty’s employee incentive plans shall not constitute a Potential Adjustment Event.
- Extraordinary Dividend: Any dividend or distribution on the Shares which is not a Special Dividend and which has an ex-dividend date occurring on any day following the Trade Date (other than (i) any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) of the Equity Definitions or (ii) a regular, quarterly cash dividend in an amount per Share equal to or less than the Forward Price Reduction Amount corresponding to the relevant

quarter that has an ex-dividend date no earlier than the Forward Price Reduction Date corresponding to the relevant quarter).

Extraordinary Events:

- Merger Event: Section 12.1(b) of the Equity Definitions shall be amended by deleting the remainder of such Section following the definition of "Reverse Merger" therein.
- Tender Offer: Applicable; provided that Section 12.1(d) of the Equity Definitions shall be amended by replacing "10%" in the third line thereof with "15%."
- Delisting: In addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, NYSE MKT, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.

Additional Disruption Events:

- Change in Law: Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase "the interpretation" in the third line thereof with the phrase " , or public announcement of the formal interpretation"; and (ii) replacing the word "Shares" where it appears in clause (X) with the words "Hedge Position."
- Failure to Deliver: Applicable if Dealer is required to deliver Shares hereunder; otherwise, Not Applicable.
- Hedging Disruption: Not applicable.
- Increased Cost of Hedging: Not applicable.
- Increased Cost of Stock Borrow: Applicable; *provided* that clause (C) of Section 12.9(b)(v) and the third, fourth and fifth sentences therein shall be deleted.
- Initial Stock Loan Rate: [•] basis points per annum.
- Loss of Stock Borrow: Applicable.
- Maximum Stock Loan Rate: [•] basis points per annum.
- Hedging Party: For all applicable Additional Disruption Events, Dealer.
- Determining Party: For all applicable Extraordinary Events, Dealer.
- Consequences of: The consequences that would otherwise apply under Article 12

Extraordinary Events: of the Equity Definitions to any applicable Extraordinary Event (excluding any Failure to Deliver, Increased Cost of Stock Borrow or any event that also constitutes a Bankruptcy Termination Event, but including, for the avoidance of doubt, any other applicable Additional Disruption Event) shall not apply, and instead, the consequences specified in Section 9 of this Confirmation shall apply.

Acknowledgements:

Non-Reliance: Applicable.

Agreements and Acknowledgements Regarding Hedging Activities: Applicable.

Additional Acknowledgements: Applicable.

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

Account Details:

Payments to Dealer: [Dealer]
ABA: [•]
BIC: [•]
Account: [•]
Beneficiary: [•]
REF: [•]

Payments to Counterparty: [To be advised.]

Delivery of Shares to Dealer: DTC Securities: [•]

Delivery of Shares to Counterparty: [To be advised.]

4. **Conditions to Effectiveness:**

(a) The effectiveness of this Confirmation on the Effective Date shall be subject to the following conditions:

- (i) Shares are sold by [the Agent] acting as forward seller for Dealer on or after the Trade Date; and
- (ii) Such shares are sold on or before the Hedge Completion Date;

in each case pursuant to the Equity Distribution Agreement dated February 20, 2018, between Counterparty and [•], among others (the “**Equity Distribution Agreement**”).

- (b) If the Equity Distribution Agreement is terminated prior to any such sale of the Shares thereunder during such period, the parties shall have no further obligations in connection with this Transaction.

5. **Representations and Agreements of Counterparty:** Counterparty represents and warrants to, and agrees with, Dealer as of the date hereof that:

- (a) Counterparty shall promptly provide written notice to Dealer upon obtaining knowledge of (i) the occurrence or announcement of any event that would constitute an Event of Default as to which it is the Defaulting Party or a Potential Adjustment Event or (ii) any Announcement Date in respect of an Extraordinary Event; *provided* that should Counterparty be in possession of material non-public information regarding Counterparty, Counterparty shall not communicate such information to Dealer;
- (b) Counterparty will keep available at all times, for the purpose of issuance upon settlement of the Transaction as herein provided, the maximum number of Shares of Counterparty as may be issuable upon settlement of the Transaction. The Shares of Counterparty issuable from time to time upon settlement of the Transaction have been duly authorized and, when delivered as contemplated by the terms of the Transaction upon settlement of the Transaction, will be validly issued, fully-paid and non-assessable, and the issuance of such Shares will not be subject to any pre-emptive or similar rights;
- (c) [RESERVED]
- (d) Counterparty shall not take any action to reduce or decrease the number of authorized and unissued Shares below the sum of (i) the maximum number specified in clause (b) above *plus* (ii) the total number of Shares issuable upon settlement (whether by net share settlement or otherwise) of any other transaction or agreement to which it is a party (or, if greater, the number of Shares reserved by Counterparty for settlement of or delivery under such transaction or agreement);
- (e) Counterparty will not repurchase any Shares if, immediately following such repurchase, the Outstanding Share Percentage would be equal to or greater than 8.5%, and it will notify Dealer promptly upon the announcement or consummation of any repurchase of Shares that, taken together with the amount of all repurchases since the date of the last such notice (or, if no such notice has been given, the Trade Date), would increase such percentage by more than 1% of the number of then-outstanding Shares. The “**Outstanding Share Percentage**” as of any day

is a fraction (1) the numerator of which is the aggregate of the Number of Shares for this Transaction and the “Number of Shares” (as defined in the applicable Additional Confirmation) under any outstanding Additional Transactions and (2) the denominator of which is the total number of Shares outstanding on such day;

- (f) As of the Trade Date and as of the date of any payment or delivery by Counterparty or Dealer hereunder, it is not and will not be “insolvent” (as such term is defined under Section 101(32) of the Bankruptcy Code);
- (g) Neither Counterparty nor any of its “affiliated purchasers” (as defined by Rule 10b-18 under the Exchange Act (“**Rule 10b-18**”)) shall take any action that would cause any purchases of Shares by Dealer or any of its affiliates in connection with any Cash Settlement or Net Share Settlement not to meet the requirements of the safe harbor provided by Rule 10b-18 if such purchases were made by Counterparty. Without limiting the generality of the foregoing, during any Unwind Period, except with the prior written consent of Dealer, Counterparty will not, and will cause its affiliated purchasers (as defined in Rule 10b-18) not to, directly or indirectly (including, without limitation, by means of a derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or announce or commence any tender offer relating to, any Shares (or equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable for the Shares. However, the foregoing shall not (a) limit Counterparty’s ability, pursuant to any issuer “plan” (as defined in Rule 10b-18), to re-acquire Shares from employees in connection with such plan or program, (b) limit Counterparty’s ability to withhold Shares to cover tax liabilities associated with such a plan, (c) prohibit any purchases effected by or for an issuer “plan” by an “agent independent of the issuer” (each as defined in Rule 10b-18), (d) otherwise restrict Counterparty’s or any of its affiliates’ ability to repurchase Shares under privately negotiated, off-exchange transactions with any of its employees, officers, directors, affiliates or any third party that are not expected to result in market transactions or (e) limit Counterparty’s ability to grant stock and options to “affiliated purchasers” (as defined in Rule 10b-18) or the ability of such affiliated purchasers to acquire such stock or options in connection with any issuer “plan” (as defined in Rule 10b-18) for directors, officers and employees or any agreements with respect to any such plan for directors, officers or employees of any entities that are acquisition targets of Counterparty, and in connection with any such purchase under (a) through (e) above, Counterparty will be deemed to represent to Dealer that such purchase does not constitute a “Rule 10b-18 purchase” (as defined in Rule 10b-18);
- (h) Counterparty will not engage in any “distribution” (as defined in Regulation M promulgated under the Exchange Act (“**Regulation M**”))

that would cause a “restricted period” (as defined in Regulation M) to occur during any Unwind Period;

- (i) During any Unwind Period, Counterparty shall: (i) prior to the opening of trading in the Shares on any day on which Counterparty makes, or expects to be made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction, to the extent permitted by applicable law but in no event later than the time such announcement is first made, notify Dealer of such public announcement; (ii) promptly notify Dealer following any such announcement that such announcement has been made; (iii) promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide Dealer with written notice specifying (A) Counterparty’s average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the related announcement date that were not effected through Dealer or its affiliates, if any, and (B) the number of Shares, if any, purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding such announcement date. Such written notice shall be deemed to be a certification by Counterparty to Dealer that such information is true and correct. In addition, Counterparty shall promptly notify Dealer of the earlier to occur of the completion of such transaction and the completion of the vote by target shareholders. Counterparty acknowledges that any such notice may result in a Regulatory Disruption or may affect the length of any ongoing Unwind Period; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 11(c) of this Confirmation. “**Securities Act**” means the Securities Act of 1933, as amended. “**Merger Transaction**” means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act;
- (j) Counterparty is an “eligible contract participant” (as such term is defined in the Commodity Exchange Act, as amended) and an “accredited investor” (as defined in Section 2(a)(15)(ii) of the Securities Act);
- (k) Counterparty is not entering into the Transaction, and will not elect Cash Settlement or Net Share Settlement, to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for Shares), in either case in violation of the Exchange Act or any other applicable securities laws;
- (l) Counterparty (i) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities; (ii) will exercise independent judgment in evaluating the recommendations of any broker-dealer or its

associated persons, unless it has otherwise notified the broker-dealer in writing; and (iii) has total assets of at least \$50 million as of the date hereof;

- (m) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that Dealer is not making any representations or warranties with respect to the treatment of the Transaction, including without limitation ASC Topic 260, *Earnings Per Share*, ASC Topic 815, *Derivatives and Hedging*, FASB Statements 128, 133, as amended, 149 or 150, EITF 00-19, 01-6, 03-6 or 07-5, ASC Topic 480, *Distinguishing Liabilities from Equity*, ASC 815-40, *Derivatives and Hedging — Contracts in Entity's Own Equity* (or any successor issue statements) or under the Financial Accounting Standards Board's Liabilities & Equity Project;
- (n) Counterparty is in compliance with its reporting obligations under the Exchange Act and its most recent Annual Report on Form 10-K, together with all reports subsequently filed or furnished by it pursuant to the Exchange Act and all public statements by it, taken together and as amended and supplemented to the date of this representation, do not, as of their respective dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (o) Counterparty is not aware of any material non-public information regarding itself or the Shares; Counterparty is entering into this Confirmation and will provide any settlement method election notice in good faith and not as part of a plan or scheme to evade compliance with Rule 10b-5 or any other provision of the federal securities laws; and Counterparty has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Confirmation under Rule 10b5-1 under the Exchange Act ("**Rule 10b5-1**");
- (p) [RESERVED]
- (q) Counterparty is not, and after giving effect to the transactions contemplated hereby will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;
- (r) Counterparty understands, agrees and acknowledges that no obligations of Dealer to it hereunder shall be entitled to the benefit of deposit insurance and that such obligations shall not be guaranteed by any affiliate of Dealer or any governmental agency;

- (s) Counterparty: (i) is an “institutional account” as defined in FINRA Rule 4512(c); and (ii) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities, and will exercise independent judgment in evaluating any recommendations of Dealer or its associated persons; and
- (t) COUNTERPARTY UNDERSTANDS THAT THE TRANSACTION IS SUBJECT TO COMPLEX RISKS WHICH MAY ARISE WITHOUT WARNING AND MAY AT TIMES BE VOLATILE AND THAT LOSSES MAY OCCUR QUICKLY AND IN UNANTICIPATED MAGNITUDE AND IS WILLING TO ACCEPT SUCH TERMS AND CONDITIONS AND ASSUME (FINANCIALLY AND OTHERWISE) SUCH RISKS.

6. **Issuance of Shares by Counterparty:** Counterparty acknowledges and agrees that any Shares delivered by Counterparty to Dealer on any Settlement Date or Net Share Settlement Date will be newly issued. Counterparty further acknowledges and agrees that, except to the extent that the Private Placement Procedures in Annex A apply, any Shares delivered by Counterparty to Dealer on any Settlement Date or Net Share Settlement Date will be (i) approved for listing or quotation on the Exchange, subject to official notice of issuance and (ii) registered under the Exchange Act. On the basis of the Forward Letter (as hereinafter defined), such Shares, when delivered by Dealer (or an affiliate of Dealer) to securities lenders from whom Dealer (or an affiliate of Dealer) borrowed Shares in connection with hedging its exposure to the Transaction, will be freely saleable without further registration or other restrictions under the Securities Act in the hands of those securities lenders, irrespective of whether any such stock loan is effected by Dealer or an affiliate of Dealer. Accordingly, Counterparty agrees that, except to the extent that the Private Placement Procedures in Annex A apply, any Shares so delivered will not bear a restrictive legend and will be deposited in, and the delivery thereof shall be effected through the facilities of, the Clearance System.

7. **Termination on Bankruptcy:** The parties hereto agree that, notwithstanding anything to the contrary in the Agreement or the Equity Definitions, the Transaction constitutes a contract to issue a security of Counterparty as contemplated by Section 365(c)(2) of the Bankruptcy Code (as defined below) and that the Transaction and the obligations and rights of Counterparty and Dealer (except for any liability as a result of breach of any of the representations or warranties provided by Counterparty in Section 5 above) shall immediately terminate, without the necessity of any notice, payment (whether directly, by netting or otherwise) or other action by Counterparty or Dealer, if, on or prior to the final Settlement Date, Cash Settlement Payment Date or Net Share Settlement Date, an Insolvency Filing occurs (a “**Bankruptcy Termination Event**”).

8. **Special Dividends:** If an ex-dividend date for a Special Dividend occurs on or after the Trade Date and on or prior to the Maturity Date (or, if later, the last date on which Shares are delivered by Counterparty to Dealer in settlement of the Transaction), Counterparty shall pay to Dealer on the earlier of (i) the date on which such Special Dividend is paid by the Issuer to holders of record of the Shares, (ii) the Designated Date where the Undesignated Shares

become equal to zero and (iii) the Maturity Date an amount, as determined by the Calculation Agent, in cash equal to the product of (a) per Share amount of such Special Dividend, and (b) the Remaining Amount on such ex-dividend date. “**Special Dividend**” means any cash dividend or distribution declared by the Issuer with respect to the Shares that is specified by the board of directors of the Issuer as an “extraordinary” dividend and that Counterparty designates as a Special Dividend hereunder by written notice given to Dealer promptly after the declaration of such dividend or distribution. “**Remaining Amount**” means, at any time, the sum of (i) the number of Undesignated Shares as of such time, (ii)(A) if any, the number of Designated Shares for any Designated Date occurring prior to such time for which the related Unwind Period has not been completed at such time *minus* (B) the number of Unwound Shares for such Unwind Period at such time and (iii) if any Aggregate Net Share Number or Net Share Settlement Number, as applicable, as of such time is (A) a positive number and (B) has not been delivered by Counterparty to Dealer pursuant to “Net Share Settlement” above, such Aggregate Net Share Number or Net Share Settlement Number, as applicable.

9. **Acceleration Events:**

- (a) Notwithstanding anything to the contrary herein, in the Agreement or in the Equity Definitions, at any time following the occurrence and during the continuation of an Acceleration Event, Dealer (or, in the case of an Acceleration Event that is an Event of Default or a Termination Event, the party that would be entitled to designate an Early Termination Date in respect of such event pursuant to Section 6 of the Agreement) shall, by not more than 20 days’ notice to the other party, have the right to designate by notice to the other party any Scheduled Trading Day not earlier than the day such notice is effective to be the “**Early Valuation Date**” but which, in the case of an Acceleration Event that results from the commencement of any proceeding with respect to Counterparty under the Bankruptcy Code other than in a Bankruptcy Termination Event, shall be the Scheduled Trading Day on which such proceeding is commenced (or, if not commenced on such a day, the following Scheduled Trading Day), in which case the provisions set forth in this Section 9 shall apply in lieu of Section 6 of the Agreement or Article 12 of the Equity Definitions.
- (b) If the Early Valuation Date occurs on a date that is not during an Unwind Period, then the Early Valuation Date shall be deemed to be a Designated Date for a Physical Settlement, and the number of Designated Shares for such Designated Date shall be the number of Undesignated Shares on the Early Valuation Date; *provided* that in the case of an Acceleration Event of the type described in paragraph (e)(iii) or (iv) below, the number of Designated Shares for such Designated Date shall be only such number of Designated Shares necessary so that such Acceleration Event shall no longer exist after such Physical Settlement, as determined by the Calculation Agent; and, *provided, further*, that in the case of an Acceleration Event of the type described in paragraph (e) (i) below and resulting from the commencement of any proceeding with respect to Counterparty under the Bankruptcy Code other than in a Bankruptcy

Termination Event, the Early Valuation Date shall be deemed to be the last Unwind Date for a Cash Settlement and in such case the aggregate net loss or cost reasonably determined by Dealer as of the related Early Valuation Date in connection with unwinding its Hedge Positions shall be added to the Forward Cash Settlement Amount (or, if an aggregate net gain is so determined, such gain shall be subtracted therefrom).

- (c) If the Early Valuation Date occurs during an Unwind Period, then (i) (A) the last Unwind Date of such Unwind Period shall occur on the Early Valuation Date, (B) a settlement shall occur in respect of such Unwind Period, and the settlement method elected by Counterparty in respect of such settlement shall apply, and (C) the number of Designated Shares for such settlement shall be deemed to be the number of Unwound Shares for such Unwind Period on the Early Valuation Date, and (ii) (A) the Early Valuation Date shall be deemed to be an additional Designated Date for a Physical Settlement and (B) the number of Designated Shares for such additional Designated Date shall be the Remaining Amount on the Early Valuation Date; *provided* that in the case of an Acceleration Event of the type described in paragraph (e)(iii) or (iv) below, the number of Designated Shares for such additional Designated Date shall be only such number of Designated Shares necessary so that such Acceleration Event shall no longer exist after such Physical Settlement, as determined by the Calculation Agent; and, *provided*, further, that in the case of an Acceleration Event of the type described in paragraph (e)(i) below and resulting from the commencement of any proceeding with respect to Counterparty under the Bankruptcy Code other than in a Bankruptcy Termination Event, the Early Valuation Date shall be deemed to be the last Unwind Date of an additional Unwind Period for a Cash Settlement and the number of Designated Shares for such settlement shall be deemed to be the Remaining Amount on the Early Valuation Date and in such case the aggregate net loss or cost reasonably determined by Dealer as of the related Early Valuation Date in connection with unwinding its Hedge Positions shall be added to the Forward Cash Settlement Amount (or, if an aggregate net gain is so determined, such gain shall be subtracted therefrom).
- (d) Notwithstanding the foregoing, in the case of an Early Valuation Date that occurs due to an announcement of a Nationalization or a Merger Event, if at the time of the related Settlement Date or Net Share Settlement Date, as applicable, the Shares have changed into cash or any other property or the right to receive cash or any other property, such cash, other property or right shall be deliverable instead of such Shares.
- (e) “Acceleration Event” means:
 - (i) any Event of Default or Termination Event, other than an Event of Default or Termination Event that also constitutes a Bankruptcy

Termination Event, that would give rise to the right of either party to designate an Early Termination Date pursuant to Section 6 of the Agreement;

- (ii) the announcement of any event or transaction that, if consummated, would result in a Merger Event, Tender Offer, Nationalization, Delisting or Change in Law, in each case, as determined by the Calculation Agent;
- (iii) a Loss of Stock Borrow;
- (iv) the declaration or payment by Counterparty of any Extraordinary Dividend;
- (v) the occurrence of a Market Disruption Event during an Unwind Period and the continuance of such Market Disruption Event for at least eight Scheduled Trading Days;
- (vi) the occurrence of an Excess Section 13 Ownership Position or Excess Regulatory Ownership Position; or
- (vii) the occurrence of the Maturity Date during an Unwind Period.

10. **Private Placement Procedures:** If either Dealer or Counterparty reasonably determines in good faith, based on the advice of counsel, that Counterparty will be unable to comply with the covenant set forth in the second sentence of Section 6 of this Confirmation because of a change in law or a change in the policy of the Securities and Exchange Commission (“SEC”) or its staff (the “Staff”), or Dealer otherwise reasonably determines, based on the advice of counsel, that in its reasonable opinion any Shares to be delivered to Dealer by Counterparty hereunder may not be freely returned by Dealer or its affiliates to securities lenders as contemplated by Section 6 of this Confirmation (in either case without regard to exceptions therein), then delivery of any such Shares (the “Restricted Shares”) shall be effected pursuant to Annex A hereto, unless waived by Dealer.

11. **Rule 10b5-1; Share Purchases by Dealer**

- (a) The parties acknowledge that, following any election of Cash Settlement or Net Share Settlement by Counterparty, this Confirmation is intended to constitute a binding contract satisfying the requirements of Rule 10b5-1(c) of the Exchange Act and agree that this Confirmation shall be interpreted to comply with such requirements.
- (b) The times and prices at which Dealer (or its agent or affiliate) purchases any Shares during any Unwind Period shall be at Dealer’s good faith and commercially reasonable discretion. Counterparty acknowledges that during any Unwind Period Counterparty does not have, and shall not attempt to exercise, any influence over how, when or whether to effect purchases of Shares or any other transactions by Dealer (or its agent or

affiliate) in connection with this Confirmation. Counterparty agrees that during any Unwind Period it will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares.

- (c) Counterparty hereby agrees with Dealer that during any Unwind Period Counterparty shall not communicate, directly or indirectly, any material non-public information (within the meaning of such term under Rule 10b5-1) to any employee of Dealer (or its agents or affiliates) who is directly involved with the hedging of, and trading with respect to, the Transaction. Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of the Transaction must be effected in accordance with the requirements for the amendment or termination of a contract, instruction or plan under Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, and no such amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.
- (d) Following any election of Cash Settlement or Net Share Settlement by Counterparty, in addition to the representations, warranties and covenants in the Agreement and elsewhere in this Confirmation, Dealer represents, warrants and covenants to Counterparty that Dealer shall use commercially reasonable efforts, during any Unwind Period, to make all purchases of Shares in connection with such election in a manner that would comply with the limitations set forth in clauses (b)(1), (b)(2), (b)(3) and (b)(4) and (c) of Rule 10b-18, as if such rule were applicable to such purchases (and considering only such purchases when determining compliance with the foregoing provisions), after taking into account any applicable SEC no-action letters as appropriate, subject to any delays between the execution and reporting of a trade of the Shares on the Exchange and other circumstances beyond Dealer's control; *provided* that, during any Unwind Period, the foregoing agreement shall not apply to purchases made to dynamically hedge for Dealer's own account or the account of its affiliate(s) the optionality arising under in connection with such Settlement (including, for the avoidance of doubt, timing optionality); and *provided, further*, that, without limiting the generality of the first sentence of this paragraph (d), Dealer shall not be responsible for any failure to comply with Rule 10b-18(b)(3) to the extent any transaction that was executed (or deemed to be executed) by or on behalf of Counterparty or an "affiliated purchaser" (as defined under Rule 10b-18) pursuant to a separate agreement is not deemed to be an "independent bid" or an "independent transaction" for purposes of Rule 10b-18(b)(3).

12. **Capped Number of Shares:** Notwithstanding any other provision of the Agreement or this Confirmation, in no event will Counterparty be required to deliver in the aggregate in respect of all Settlement Dates, Net Share Settlement Dates or other dates on which Shares are delivered in respect of any amount owed under this Confirmation a number of Shares greater than the product of 1.5 and the Number of Shares (the “**Capped Number**”). Counterparty represents and warrants to Dealer (which representation and warranty shall be deemed to be repeated on each day that the Transaction is outstanding) that the Capped Number is equal to or less than the number of authorized but unissued Shares that are not reserved for future issuance in connection with transactions in the Shares (other than the Transaction) on the date of the determination of the Capped Number (such Shares, the “**Available Shares**”). In the event Counterparty shall not have delivered the full number of Shares otherwise deliverable as a result of this Section 12 (the resulting deficit, the “**Deficit Shares**”), Counterparty shall be obligated to deliver Shares, from time to time until the full number of Deficit Shares have been delivered pursuant to this paragraph, when, and to the extent, that (A) Shares are repurchased, acquired or otherwise received by Counterparty or any of its subsidiaries after the Trade Date (whether or not in exchange for cash, fair value or any other consideration) and are not required to be used for any other purpose, (B) authorized and unissued Shares reserved for issuance in respect of other transactions as of the Trade Date become no longer so reserved and (C) Counterparty authorizes any additional unissued Shares that are not reserved for other transactions (such events as set forth in clauses (A), (B) and (C) above, collectively, the “**Share Issuance Events**”). Counterparty shall promptly notify Dealer of the occurrence of any of the Share Issuance Events (including the number of Shares subject to clause (A), (B) or (C) and the corresponding number of Shares to be delivered) and, as promptly as reasonably practicable after such Share Issuance Event (or, if later, on the Settlement Date or the date of any Private Placement Settlement for which there are Deficit Shares), deliver such Shares. Counterparty shall not, until Counterparty’s obligations under the Transaction have been satisfied in full, use any Shares that become available for potential delivery to Dealer as a result of any Share Issuance Event for the settlement or satisfaction of any transaction or obligation other than the Transaction, any Additional Transaction and any other transaction under a confirmation entered into by the Company and another dealer pursuant to the Equity Distribution Agreement (each, an “**Other Dealer’s Transaction**”), or reserve any such Shares for future issuance for any purpose other than to satisfy Counterparty’s obligations to Dealer under the Transaction, any Additional Transaction or any Other Dealer’s Transaction. Allocation of any Shares that become available for potential delivery to Dealer or any dealer party to an Other Dealer’s Transaction as a result of any Share Issuance Event shall be allocated to the Transaction, any Additional Transaction and any Other Dealer’s Transaction on a ratable basis in accordance with the respective remaining Share delivery obligations thereunder.

13. **Transfer, Assignment and Designation:**

- (a) Notwithstanding any provision of the Agreement to the contrary, Dealer may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of Dealer under the Transaction, in whole or part, to an affiliate of Dealer without the consent of Counterparty; *provided* that (i) no Event of Default, Potential Event of Default or Termination Event with respect to which Dealer or such affiliate is the Defaulting Party or an Affected Party, as the case may be, exists or would result therefrom, (ii)

no Acceleration Event or other event giving rise to a right or responsibility to designate an Early Valuation Date or otherwise terminate or cancel the Transaction or to make an adjustment to the terms of the Transaction would result therefrom, and (iii) Counterparty shall not, as a result of such assignment or transfer, (A) be required to pay to Dealer or such affiliate an additional amount in respect of an Indemnifiable Tax, (B) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax as to which no additional amount is required to be paid, or (C) become subject to the jurisdiction of any state or country other than the United States of America.

- (b) Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Dealer may designate any of its affiliates to purchase, sell, receive or deliver such Shares or other securities and otherwise to perform Dealer's obligations in respect of the Transaction and any such designee may assume such obligations. Dealer shall be discharged of its obligations to Counterparty to the extent of any such performance.

14. **Indemnity:** Counterparty agrees to indemnify Dealer and its affiliates and their respective directors, officers, agents and controlling parties (Dealer and each such affiliate or person being an "**Indemnified Party**") from and against any and all losses, claims, damages and liabilities, joint and several, incurred by or asserted against such Indemnified Party, that arise out of, are in connection with, or relate to, a breach of any covenant or representation made by Counterparty in this Confirmation or the Agreement, and Counterparty will reimburse any Indemnified Party for all reasonable expenses (including reasonable legal fees and expenses) in connection with the investigation of, preparation for, or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto. Counterparty will not be liable under this Indemnity paragraph to the extent that any such loss, claim, damage, liability or expense results from an Indemnified Party's gross negligence, bad faith or willful misconduct or Dealer's breach of this Confirmation or the Agreement. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law, to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability not resulting from its gross negligence, bad faith or willful misconduct, *provided* that no person guilty of fraudulent misrepresentation shall be entitled to contribution.

15. **No Collateral; Netting; Setoff:**

- (a) Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, the obligations of Counterparty hereunder are not secured by any collateral.
- (b) If on any date any Shares would otherwise be deliverable under the Transaction or any Additional Transaction by Counterparty to Dealer and

by Dealer to Counterparty, then, on such date, each party's obligations to make delivery of such Shares will be automatically satisfied and discharged and, if the aggregate number of Shares that would otherwise have been deliverable by one party exceeds the aggregate number of Shares that would have otherwise been deliverable by the other party, replaced by an obligation upon the party by whom the larger aggregate number of Shares would have been deliverable to deliver to the other party the excess of the larger aggregate number over the smaller aggregate number.

- (c) The parties agree that upon the occurrence of an Event of Default or Termination Event with respect to a party who is the Defaulting Party or the Affected Party ("X"), the other party ("Y") will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (or any affiliate of Y) (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y (or any affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 15.
- (d) Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency or into Shares, at the election of Y, at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency or Shares. If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 15 shall be effective to create a charge or other security interest. This Section 15 shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).
- (e) Notwithstanding anything to the contrary in the foregoing, Dealer agrees not to set off or net amounts due from Counterparty with respect to the Transaction against amounts due from Dealer (or its affiliate) to Counterparty with respect to contracts or instruments that are not Equity Contracts; *provided, however*, that, and notwithstanding any provision to the contrary set forth in this Confirmation or in the Agreement, Dealer may not use this provision or any other set-off or recoupment right under this Confirmation or the Agreement as a basis for any action under or nonperformance of its obligations under any loan, letter of credit or other borrowing arrangement with Counterparty as borrower and to which Dealer or any affiliate of Dealer is a participating lender, with respect to

which the terms of such loan, letter of credit or other borrowing arrangement shall control. “**Equity Contract**” means any transaction or instrument that does not convey to Dealer rights, or the ability to assert claims, that are senior to the rights and claims of common stockholders in the event of Counterparty’s bankruptcy.

16. **Delivery of Cash:** For the avoidance of doubt, nothing in this Confirmation shall be interpreted as requiring Counterparty to deliver cash in respect of the settlement of the Transaction, except (i) as set forth under Section 8 above or (ii) in circumstances where the cash settlement thereof is within Counterparty’s control (including, without limitation, where Counterparty so elects to deliver cash or fails timely to deliver Shares in respect of such settlement). For the avoidance of doubt, the preceding sentence shall not be construed as limiting any damages that may be payable by Counterparty as a result of a breach of or an indemnity under this Confirmation or the Agreement.

17. **Status of Claims in Bankruptcy:** Dealer acknowledges and agrees that this Confirmation is not intended to convey to Dealer rights with respect to the transactions contemplated hereby that are senior to the claims of common stockholders in any U.S. bankruptcy proceedings of Counterparty; *provided* that nothing herein shall limit or shall be deemed to limit Dealer’s right to pursue remedies in the event of a breach by Counterparty of its obligations and agreements with respect to this Confirmation and the Agreement; and *provided further* that nothing herein shall limit or shall be deemed to limit Dealer’s rights in respect of any transaction other than the Transaction.

18. **Limit on Beneficial Ownership:** Notwithstanding anything to the contrary in the Agreement or this Confirmation, in no event shall Dealer be entitled to receive, or be deemed to receive, Shares to the extent that, upon such receipt of such Shares, and after taking into account any Shares concurrently delivered by Seller under any Other Confirmation, (i) the “beneficial ownership” (within the meaning of Section 13 of the Exchange Act and the rules promulgated thereunder) of Shares by Dealer, any of its affiliates’ business units subject to aggregation with Dealer for purposes of the “beneficial ownership” test under Section 13 of the Exchange Act and all persons who may form a “group” (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) with Dealer with respect to “beneficial ownership” of any Shares (collectively, “**Dealer Group**”) would be equal to or greater than [8.5]% of the outstanding Shares (an “**Excess Section 13 Ownership Position**”) or (ii) Dealer, Dealer Group or any person whose ownership position would be aggregated with that of Dealer or Dealer Group (Dealer, Dealer Group or any such person, a “**Dealer Person**”) under Section 203 of the Delaware General Corporation Law (the “**DGCL Takeover Statute**”) or any state or federal bank holding company or banking laws, or other federal, state or local laws (including, without limitation, the Federal Power Act), regulations or regulatory orders applicable to ownership of Shares (“**Applicable Laws**”), would own, beneficially own, constructively own, control, hold the power to vote or otherwise meet a relevant definition of ownership in excess of a number of Shares equal to (x) the lesser of (A) the maximum number of Shares that would be permitted under Applicable Laws and (B) the number of Shares that would give rise to reporting or registration obligations or other requirements (including obtaining prior approval by a state or federal regulator, such as a state or federal banking regulator or the Federal Energy Regulatory Commission) of a Dealer Person under Applicable Laws (including, without limitation,

“interested stockholder” or “acquiring person” status under the DGCL Takeover Statute) and with respect to which such requirements have not been met or the relevant approval has not been received or that would give rise to any consequences under the constitutive documents of Counterparty or any contract or agreement to which Counterparty is a party, in each case *minus* (y) 1% of the number of Shares outstanding on the date of determination (such condition described in clause (ii), an “**Excess Regulatory Ownership Position**”). Dealer shall notify Counterparty promptly if, at any time, an Excess Section 13 Ownership Position or an Excess Regulatory Ownership Position has occurred or would occur as a result of a delivery by Counterparty to Dealer. If any delivery owed to Dealer hereunder is not made, in whole or in part, as a result of this provision, Counterparty’s obligation to make such delivery shall not be extinguished and Counterparty shall make such delivery as promptly as practicable after, but in no event later than one Exchange Business Day after, Dealer gives notice to Counterparty that such delivery would not result in (x) Dealer Group directly or indirectly so beneficially owning in excess of 8.5% of the outstanding Shares or (y) the occurrence of an Excess Regulatory Ownership Position.

19. **Acknowledgements:**

- (a) Counterparty acknowledges that:
 - (i) During the term of the Transaction, Dealer and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to the Transaction.
 - (ii) Dealer and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to the Transaction, including acting as agent or as principal and for its own account or on behalf of customers.
 - (iii) Dealer shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty’s securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Settlement Price.
 - (iv) Any market activities of Dealer and its affiliates with respect to the Shares may affect the market price of the Shares, as well as any Settlement Price, each in a manner that may be adverse to Counterparty.
 - (v) The Transaction is a derivative transaction; Dealer and its affiliates may purchase or sell Shares for their own account at prices that may be greater than, or less than, the prices paid or received by Counterparty under the terms of the Transaction.

- (b) The parties intend for this Confirmation to constitute a “Contract” as described in the letter dated October 6, 2003 submitted on behalf of GS&Co. to Paula Dubberly of the Staff to which the Staff responded in an interpretive letter dated October 9, 2003 (the “**Forward Letter**”).
- (c) The parties hereto intend for:
 - (i) this Transaction to be a “securities contract” as defined in Section 741(7) of the Bankruptcy Code, qualifying for the protections under Sections 362(b)(6), 362(b)(27), 362(o), 546(e), 546(j), 548(d)(2), 555 and 561 of the Bankruptcy Code;
 - (ii) the rights given to Dealer pursuant to “Acceleration Events” in Section 9 above to constitute “contractual rights” to cause the liquidation of a “securities contract” and to set off mutual debts and claims in connection with a “securities contract”, as such terms are used in Sections 555 and 362(b)(6) of the Bankruptcy Code;
 - (iii) Dealer to be a “financial institution” within the meaning of Section 101(22) of the Bankruptcy Code;
 - (iv) any cash, securities or other property provided as performance assurance, credit support or collateral with respect to the Transaction to constitute “margin payments” and “transfers” under a “securities contract” as defined in the Bankruptcy Code;
 - (v) all payments for, under or in connection with the Transaction, all payments for Shares and the transfer of Shares to constitute “settlement payments” and “transfers” under a “securities contract” as defined in the Bankruptcy Code; and
 - (vi) any or all obligations that either party has with respect to this Confirmation or the Agreement to constitute property held by or due from such party to margin, guaranty or settle obligations of the other party with respect to the transactions under the Agreement (including the Transaction) or any other agreement between such parties.
- (d) In addition to the representations and warranties in the Agreement and elsewhere in this Confirmation, Dealer represents and warrants to Counterparty that it is an “eligible contract participant” (as such term is defined in the Commodity Exchange Act, as amended) and an “accredited investor” (as defined in Section 2(a)(15)(ii) of the Securities Act) and that it is entering into the Transaction as principal and not for the benefit of any third party.

20. **Wall Street Transparency and Accountability Act.** In connection with Section 739 of the Wall Street Transparency and Accountability Act of 2010 (“WSTAA”), the parties

hereby agree that neither the enactment of WSTAA or any regulation under the WSTAA, nor any requirement under WSTAA or an amendment made by WSTAA, shall limit or otherwise impair either party's otherwise applicable rights to terminate, renegotiate, modify, amend or supplement this Confirmation or the Agreement, as applicable, arising from a termination event, force majeure, illegality, increased costs, regulatory change or similar event under this Confirmation, the Swap Definitions or Equity Definitions incorporated herein or the Agreement (including, but not limited to, rights arising from an Acceleration Event, Increased Cost of Stock Borrow, any condition described in clause (i) of Section 18, an Excess Regulatory Ownership Position or Illegality (as defined in the Agreement)).

21. [RESERVED]

22. [RESERVED]

23. **Notices:** For the purpose of Section 12(a) of the Agreement:

(a) Address for notices or communications to Dealer:

[Dealer]
[Street Address]
[City, State and Zip Code]
Attention: [•]
Fax: [•]
Phone: [•]
Email: [•]

with a copy to

[Dealer]
[Street Address]
[City, State and Zip Code]
Attention: Legal Department, Equity Derivatives

(b) Address for notices or communications to Counterparty:

Address: Jack Sullivan
Corporate Finance Director and Assistant Treasurer
Duke Energy Corporation
550 South Tryon Street
Charlotte, NC 28202
Telephone: [•]
Email: [•]

(c) Section 12(a) of the Agreement hereby is amended by adding, immediately before the comma, the words "or, in the case of e-mail, on the date it is delivered."

24. **Waiver of Right to Trial by Jury:** EACH OF COUNTERPARTY AND DEALER HEREBY IRREVOCABLY WAIVES (ON SUCH PARTY'S OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF SUCH PARTY'S STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS CONFIRMATION OR THE ACTIONS OF COUNTERPARTY AND DEALER OR ANY OF THEIR AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

25. **Severability:** If any term, provision, covenant or condition of this Confirmation, or the application thereof to any party or circumstance, shall be held to be invalid or unenforceable in whole or in part for any reason, the remaining terms, provisions, covenants, and conditions hereof shall continue in full force and effect as if this Confirmation had been executed with the invalid or unenforceable provision eliminated, so long as this Confirmation as so modified continues to express, without material change, the original intentions of the parties as to the subject matter of this Confirmation and the deletion of such portion of this Confirmation will not substantially impair the respective benefits or expectations of parties to the Agreement; *provided* that this severability provision shall not be applicable if any provision of Section 2, 5, 6 or 13 of the Agreement (or any definition or provision in Section 14 of the Agreement to the extent that it relates to, or is used in or in connection with any such Section) shall be so held to be invalid or unenforceable.

26. **Tax Disclosure:** Notwithstanding anything to the contrary herein, in the Equity Definitions or in the Agreement, and notwithstanding any express or implied claims of exclusivity or proprietary rights, the parties (and each of their employees, representatives or other agents) are authorized to disclose to any and all persons, beginning immediately upon commencement of their discussions and without limitation of any kind, the tax treatment and tax structure of the Transaction, and all materials of any kind (including opinions or other tax analyses) that are provided by either party to the other relating to such tax treatment and tax structure.

27. **Schedule Provisions:**

- (a) For so long as the Agreement is in the form of the 1992 ISDA Master Agreement, for purposes of Section 6(e) of the Agreement and this Transaction:
 - (i) Loss will apply.
 - (ii) The Second Method will apply.
- (b) The Termination Currency shall be USD.
- (c) Other:

The text beginning with the word "if" in Section 5(a)(i) of the Agreement shall be amended to read as follows: "if such failure is not remedied on or

before the second Local Business Day after notice of such failure is given to the party.”

Cross Default: The provisions of Section 5(a)(vi) of the Agreement will apply to Dealer and will apply to Counterparty with a Threshold Amount of 3% of shareholders equity for each of [Dealer] [Dealer’s ultimate parent company] and Counterparty (*provided* that, in each case, (a) the text “, or becoming capable at such time of being declared,” shall be deleted from Section 5(a)(vi)(1) of the Agreement, (b) the following provision shall be added to the end of Section 5(a)(vi) of the Agreement: “but a default under clause (2) above shall not constitute an Event of Default if (x) the default was caused solely by error or omission of an administrative or operational nature, (y) funds were available to enable the party to make the payment when due and (z) the payment is made within two Local Business Days of such party’s receipt of written notice of its failure to pay” and (c) the term “Specified Indebtedness” shall have the meaning specified in Section 14 of the Agreement, except that such term shall not include obligations in respect of deposits received in the ordinary course of a party’s banking business).

The “Automatic Early Termination” provision of Section 6(a) of the Agreement will not apply to Dealer and will not apply to Counterparty.

(d) Part 2(b) of the ISDA Schedule — Payee Representation:

For the purpose of Section 3(f) of the Agreement, Counterparty makes the following representation to Dealer:

Counterparty is a corporation established under the laws of the State of Delaware and is a U.S. person (as that term is defined in Section 7701(a)(30) of the United States Internal Revenue Code of 1986, as amended).

[For the purpose of Section 3(f) of the Agreement, Dealer makes the following representation to Counterparty:

- (A) Each payment received or to be received by it in connection with the Agreement is effectively connected with its conduct of a trade or business within the United States; and
- (B) It is a “foreign person” (as that term is used in Section 1.6041-4(a)(4) of the United States Treasury Regulations) for United States federal income tax purposes.³

³ To be customized as applicable.

(e) Part 3(a) of the ISDA Schedule — Tax Forms:

Party Required to Deliver Document

	<u>Form/Document/Certificate</u>	<u>Date by which to be Delivered</u>
Counterparty	A complete and duly executed United States Internal Revenue Service Form W-9 (or successor thereto.)	(i) Upon execution and delivery of the Agreement; (ii) promptly upon reasonable demand by Dealer; and (iii) promptly upon learning that any such Form previously provided by Counterparty has become obsolete or incorrect.
Dealer	A complete and duly executed United States Internal Revenue Service Form [W-8ECI] ⁴ (or successor thereto.)	(i) Upon execution and delivery of the Agreement; and (ii) promptly upon learning that any such Form previously provided by Dealer has become obsolete or incorrect.

(f) Section 2(c) will not apply to the Transaction.

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

28. Any calculation, adjustment, judgment or other determination made hereunder by Dealer or any of its affiliates with respect to the Transaction (including, for the avoidance of doubt, in its capacity as Calculation Agent) shall be furnished to Counterparty by Dealer as soon as is reasonably practicable, together with a report (in a commonly used file format for storage and manipulation of financial data but without disclosing any proprietary models of the Calculation Agent or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information) displaying in reasonable detail such calculation, adjustment judgment or other determination, as the case may be, and the basis therefor; provided, that, in the case of determinations that are not calculations, adjustments or other amounts, such a report shall be required only to the extent that such a report is reasonably necessary to show such determination or the basis therefor because such determination or basis is not apparent and such a report shall not be required where such determination is stated to be at Dealer’s sole election or discretion.

29. “Indemnifiable Tax” as defined in Section 14 of the Agreement shall not include (i) any tax imposed on payments treated as dividends from sources within the United States under Section 871(m) of the United States Internal Revenue Code of 1986, as amended (the “Code”), or any regulations issued thereunder (a “Section 871(m) Tax”) or (ii) any U.S. federal

⁴ To be customized for each Dealer.

withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "**FATCA Withholding Tax**"). For the avoidance of doubt, each of a Section 871(m) Tax and a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of the Agreement.

30. **Other Forward(s).** Counterparty agrees that (x) it shall not cause to occur, or permit to exist, any Initial Hedge Period at any time there is (1) an "Initial Hedge Period" (or equivalent term) relating to any Other Dealer's Transaction or (2) any "Unwind Period" (or equivalent term) hereunder or under any Other Dealer's Transaction, and (y) it shall not cause to occur, or permit to exist, an Unwind Period at any time there is an "Unwind Period" (or equivalent term) under any Other Dealer's Transaction or an "Initial Hedge Period" (or equivalent term) relating to any Transaction or any Other Dealer's Transaction.

[Signature page to follow. Remainder of page intentionally left blank.]

Yours sincerely,

**[AGENT], ACTING AS AGENT
FOR [DEALER]**

By: _____

Confirmed as of the date first above written:

DUKE ENERGY CORPORATION

By: _____
Name:
Title:

SCHEDULE I

FORWARD PRICE REDUCTION DATES AND AMOUNTS

Forward Price Reduction Date ⁵	Forward Price Reduction Amount
[], 20[]	USD [•]
[], 20[]	USD [•]
[], 20[]	USD [•]
[], 20[]	USD [•]
[], 20[]	USD [•]
[], 20[]	USD [•]

⁵ Insert expected ex-dividend dates.

ANNEX A

PRIVATE PLACEMENT PROCEDURES

If Counterparty delivers Restricted Shares pursuant to Section 10 above (a “**Private Placement Settlement**”), then:

- (a) the delivery of Restricted Shares by Counterparty shall be effected in accordance with customary private placement procedures for issuers comparable to Counterparty with respect to such Restricted Shares reasonably acceptable to Dealer. Counterparty shall not take, or cause to be taken, any action that would make unavailable either the exemption pursuant to Section 4(2) of the Securities Act for the sale by Counterparty to Dealer (or any affiliate designated by Dealer) of the Restricted Shares or the exemption pursuant to Section 4(a)(1) or Section 4(a)(3) of the Securities Act for resales of the Restricted Shares by Dealer (or any such affiliate of Dealer);
- (b) as of or prior to the date of delivery, Dealer and any potential purchaser of any such Restricted Shares from Dealer (or any affiliate of Dealer designated by Dealer) identified by Dealer shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for similarly-sized private placements of equity securities for issuers comparable to Counterparty (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them); *provided that*, prior to receiving or being granted access to any such information, any such potential purchaser may be required by Counterparty to enter into a customary non-disclosure agreement with Counterparty in respect of any such due diligence investigation;
- (c) as of the date of delivery, Counterparty shall enter into an agreement (a “**Private Placement Agreement**”) with Dealer (or any affiliate of Dealer designated by Dealer) in connection with the private placement of such Restricted Shares by Counterparty to Dealer (or any such affiliate) and the private resale of such Restricted Shares by Dealer (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities of similar size for issuers comparable to Counterparty, in form and substance commercially reasonably satisfactory to Dealer, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the mutual indemnification of, and contribution in connection with the liability of the parties and the provision of customary opinions, accountants’ comfort letters and lawyers’ negative assurance

letters, and shall provide for the payment by Counterparty of all reasonable fees and expenses in connection with such resale, including all reasonable fees and expenses of counsel for Dealer, and shall contain representations, warranties, covenants and agreements of Counterparty customary for issuers comparable to Counterparty and reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

- (d) in connection with the private placement of such Restricted Shares by Counterparty to Dealer (or any such affiliate) and the private resale of such Restricted Shares by Dealer (or any such affiliate), Counterparty shall, if so requested by Dealer, prepare, in cooperation with Dealer, a private placement memorandum customary for comparable private placements and issuers comparable to Counterparty and otherwise in form and substance reasonably satisfactory to Dealer.

In the case of a Private Placement Settlement, Dealer shall, in its good faith discretion, adjust the amount of Restricted Shares to be delivered to Dealer hereunder and/or the applicable Daily Forward Price(s) in a commercially reasonable manner to reflect the fact that such Restricted Shares may not be freely returned to securities lenders by Dealer and may only be saleable by Dealer at a discount to reflect the lack of transferability and liquidity in Restricted Shares based on actual charges incurred or discounts given.

If Counterparty delivers any Restricted Shares in respect of the Transaction, Counterparty agrees that (i) such Shares may be transferred by and among Dealer and its affiliates and (ii) after the minimum "holding period" within the meaning of Rule 144(d) under the Securities Act has elapsed after the applicable Settlement Date, Counterparty shall (so long as Dealer or any such affiliate is not an "affiliate" of Counterparty within the meaning of Rule 144 under the Securities Act) promptly remove, or cause the transfer agent for the Shares to remove, any legends referring to any transfer restrictions from such Shares upon delivery by Dealer (or such affiliate of Dealer) to Counterparty or such transfer agent of seller's and broker's representation letters customarily delivered in connection with resales of restricted securities pursuant to Rule 144 under the Securities Act, each without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by Dealer (or such affiliate of Dealer).

ANNEX B

PRICING SUPPLEMENT

[Dealer Letterhead]

[•], 20[•]

Duke Energy Corporation
550 South Tryon Street
Charlotte, North Carolina 28202-1803
Attn: Jack Sullivan, Corporate Finance Director and Assistant Treasurer
Telephone: [•]
E-mail: [•]

Ladies and Gentlemen:

This is the "Pricing Supplement" contemplated by the Issuer Forward Transaction dated [•], 20[•] (the "**Confirmation**"), between Duke Energy Corporation ("**Counterparty**") and [•] ("**Dealer**").

For all purposes under the Confirmation,

- (a) the Hedge Completion Date is [•];
- (b) the Number of Shares shall be [•], subject to further adjustment in accordance with the terms of the Confirmation;
- (c) the Initial Forward Price shall be USD [•]; and
- (d) the Spread shall be [•] basis points.

Very truly yours,

[DEALER]

By: _____
Name:
Title:

Confirmed as of the date first above written:

DUKE ENERGY CORPORATION

By: _____
Name:
Title:

Annex B-1

Exhibit 99.1

DUKE ENERGY CORPORATION

Shares of Common Stock
(par value \$0.001 per share)

With an Aggregate Sales Price of Up to \$1,000,000,000

EQUITY DISTRIBUTION AGREEMENT

Dated: February 20, 2018

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EXHIBITS

Exhibit A	Form of Placement Notice
Exhibit B	Authorized Individuals for Placement Notices and Acceptances
Exhibit C	Compensation
Exhibit D-1	Form of Opinion of Company Counsel to be delivered only on the date of the Agreement
Exhibit D-2	Form of Opinion of Company Counsel to be delivered on each Representation Date
Exhibit D-3	Form of Opinion of Deputy General Counsel to be delivered on each Representation Date
Exhibit E	Officer Certificate
Exhibit F	Issuer Free Writing Prospectuses
Exhibit G	Form of Forward Confirmation

DUKE ENERGY CORPORATION

Shares of Common Stock
(par value \$0.001 per share)

With an Aggregate Sales Price of Up to \$1,000,000,000

EQUITY DISTRIBUTION AGREEMENT

February 20, 2018

Wells Fargo Securities, LLC
375 Park Avenue
New York, New York 10152

Wells Fargo Bank, National Association
375 Park Avenue, 4th Floor
New York, New York 10152

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Citibank, N.A.
390 Greenwich Street
New York, New York 10013

J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

JPMorgan Chase Bank, National Association
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Ladies and Gentlemen:

DUKE ENERGY CORPORATION, a Delaware corporation (the "Company"), confirms its agreement (this "Agreement") with Wells Fargo Bank, National Association, Citibank, N.A. and JPMorgan Chase Bank, National Association (or their affiliates) (each in its capacity as purchaser under any Confirmation (as defined below), a "Forward Purchaser" and together, the "Forward Purchasers"), and Wells Fargo Securities, LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC (each in its capacity as agent for the Company and/or principal in connection with the offering and sale of any Issuance Shares (as defined below) hereunder, an "Agent" and together, the "Agents"), and each in its capacity as agent for each Forward Purchaser

in connection with the offering and sale of any Forward Hedge Shares (as defined below) hereunder, a "Forward Seller" and together, the "Forward Sellers"), as follows:

SECTION 1. Description of Shares.

The Company has authorized and proposes to issue and sell, in the manner contemplated by this Agreement, Shares (as defined below) of the Company's common stock, par value \$0.001 per share (the "Common Stock") having an aggregate Sales Price (as defined below) of up to \$1,000,000,000 (the "Maximum Amount"), upon the terms and subject to the conditions contained herein. The issuance and sale of the Shares will be effected pursuant to the Registration Statement (as defined below) filed by the Company which became effective upon filing with the Securities and Exchange Commission (the "Commission") pursuant to Rule 462 of the rules and regulations of the Commission under the Securities Act (as defined below), although nothing in this Agreement shall be construed as requiring the Company to use the Registration Statement to issue the Shares. The Company agrees that whenever it determines to sell Shares directly to an Agent, as principal, it will enter into a separate written agreement with such Agent containing the terms and conditions of such sale.

The Company has filed, in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations thereunder (collectively, the "Securities Act"), with the Commission an automatic shelf registration statement on Form S-3, as amended (File No. 333-213765) (the "Original Registration Statement"), including a base prospectus, relating to certain securities, including the Shares to be issued from time to time by the Company, and which incorporates by reference documents that the Company has filed or will file in accordance with the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "Exchange Act"). The Company has prepared a prospectus supplement specifically relating to the Shares (the "Original Prospectus Supplement") to the base prospectus included as part of the Original Registration Statement. Except where the context otherwise requires, the "Registration Statement" refers to (i) initially, the Original Registration Statement and (ii) on and after the date on which the Shares may no longer be offered and sold pursuant to the Original Registration Statement, the registration statement, if any, filed by the Company for the purpose of continuing the offering of the Shares following any such date, in each case, as amended when it became or becomes effective, including all documents filed as part thereof or incorporated by reference therein, and including any information contained in a Prospectus (as defined below) subsequently filed with the Commission pursuant to Rule 424(b) under the Securities Act or deemed to be a part thereof pursuant to Rule 430B under the Securities Act (the "Rule 430B Information"). The base prospectus, including all documents incorporated therein by reference, included in the Registration Statement, supplemented by the most recent prospectus supplement prepared by the Company specifically relating to the Shares, which shall initially be the Original Prospectus Supplement, in the form in which such prospectus and/or prospectus supplement have most recently been filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act is herein called the "Prospectus." Any reference herein to the Registration Statement, the Prospectus or any amendment or supplement thereto shall be deemed to refer to and include the documents incorporated by reference therein, and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement or the

Prospectus shall be deemed to refer to and include the filing after the execution hereof of any document with the Commission deemed to be incorporated by reference therein. For purposes of this Agreement, all references to the Registration Statement, the Prospectus or to any amendment or supplement thereto shall be deemed to include any copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

All references in this Agreement to financial statements and schedules and other information that is "contained," "included" or "stated" in the Registration Statement or the Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information that is incorporated by reference in the Registration Statement or the Prospectus, as the case may be.

All references in this Agreement to any Issuer Free Writing Prospectus (as defined below) (other than any Issuer Free Writing Prospectuses that, pursuant to Rule 433 under the Securities Act, are not required to be filed with the Commission) shall be deemed to include the copy thereof filed with the Commission pursuant to EDGAR.

The Agents have been appointed by the Company as its agents to sell the Issuance Shares and agree to use commercially reasonable efforts consistent with their normal trading and sales practices to sell the Issuance Shares offered by the Company upon the terms and subject to the conditions contained herein. The Forward Sellers have been appointed by the Company and the Forward Purchasers as agents to sell the Forward Hedge Shares and agree with the Company and the Forward Purchasers to use commercially reasonable efforts consistent with their normal trading and sales practices to sell the Forward Hedge Shares.

The aggregate Sales Price of the Shares that may be sold pursuant to this Agreement shall not exceed the Maximum Amount. Notwithstanding anything to the contrary contained herein, the parties hereto agree that compliance with the limitations set forth in this Section 1 regarding the aggregate Sales Price of the Shares issued and sold under this Agreement shall be the sole responsibility of the Company, and none of the Agents, the Forward Sellers or the Forward Purchasers shall have any obligation in connection with such compliance.

As used in this Agreement, the following terms have the respective meanings set forth below:

"Actual Sold Forward Amount" means, for any Forward Hedge Selling Period (as defined below) for any Forward (as defined below), the number of Forward Hedge Shares that a Forward Seller has sold during such Forward Hedge Selling Period.

"Applicable Time" means the time of each sale of any Shares pursuant to this Agreement.

"Capped Number" means, for any Confirmation, the meaning set forth in such Confirmation.

"Commitment Period" means the period commencing on the date of this Agreement and expiring on the date this Agreement is terminated pursuant to Section 13.

“Confirmation” means a Confirmation, substantially in the form set forth in Exhibit G, of the terms and conditions of a Transaction (as defined in such Confirmation) in relation to any Forward, by and between the Company and the applicable Forward Purchaser, including all provisions incorporated by reference therein.

“FINRA” means the Financial Industry Regulatory Authority, Inc.

“Forward” means the transaction resulting from each Placement Notice (as defined below) (as amended by the corresponding Acceptance (as defined below), if applicable) specifying that it relates to a “Forward” and requiring a Forward Seller to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell, as specified in such Placement Notice and subject to the terms and conditions of this Agreement and the applicable Confirmation, the Forward Hedge Shares.

“Forward Hedge Amount” means, for any Forward, the amount specified as such in the Placement Notice for such Forward, which amount shall be the target aggregate Sales Price of the Forward Hedge Shares to be sold by the Forward Seller, subject to the terms and conditions of this Agreement.

“Forward Hedge Price” means, for any Confirmation, the product of (x) an amount equal to one (1) minus the Forward Hedge Selling Commission Rate for such Confirmation and (y) the “Adjusted Volume-Weighted Hedge Price” (as defined in such Confirmation).

“Forward Hedge Selling Commission” means, for any Confirmation, the product of (x) the Forward Hedge Selling Commission Rate for such Confirmation and (y) the “Adjusted Volume-Weighted Hedge Price” (as defined in such Confirmation).

“Forward Hedge Selling Commission Rate” means, for any Confirmation, the amount of any commission, discount or other compensation to be paid by the Company to the Forward Seller in connection with the sale of the Forward Hedge Shares, which shall be determined in accordance with the terms set forth on Exhibit C and recorded in the applicable Placement Notice (as amended by the corresponding Acceptance, if applicable).

“Forward Hedge Selling Period” means, for any Confirmation, the period beginning on the “Trade Date” (as defined in such Confirmation) and ending on the earliest of (i) the “Hedge Completion Date” (as defined in such Confirmation), (ii) the “Early Valuation Date” (as defined in such Confirmation) and (iii) the occurrence of a “Bankruptcy Termination Event” (as defined in such Confirmation).

“Forward Hedge Settlement Date” means, for any Confirmation, unless specified in the applicable Placement Notice (as amended by the corresponding Acceptance, if applicable), the second (2nd) Trading Day (as defined below) (or such earlier day as is industry practice for regular-way trading) following the date on which such sales are made.

“Forward Hedge Shares” means all Common Stock borrowed by a Forward Purchaser or its affiliate and offered and sold by a Forward Seller in connection with any Forward that has occurred or may occur in accordance with the terms and conditions of this Agreement.

“Issuance” means each occasion the Company elects to exercise its right to deliver a Placement Notice that does not involve a Forward and that specifies that it relates to an “Issuance” and requires an Agent to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell the Issuance Shares as specified in such Placement Notice, subject to the terms and conditions of this Agreement.

“Issuance Amount” means, for any Issuance, the amount specified as such in the Placement Notice for such Issuance, which amount shall be the target aggregate Sales Price of the Issuance Shares to be sold by an Agent, subject to the terms and conditions of this Agreement.

“Issuance Selling Period” means the period of Trading Days (as determined by the Company in the Company’s sole discretion and specified in the applicable Placement Notice specifying that it relates to an “Issuance”) beginning on the date specified in the applicable Placement Notice (as amended by the corresponding Acceptance, if applicable) or, if such date is not a Trading Day, the next Trading Day following such date.

“Issuance Settlement Date” means, unless otherwise specified in the applicable Placement Notice (as amended by the corresponding Acceptance, if applicable), the second (2nd) Trading Day (or such earlier day as is industry practice for regular-way trading) following the date on which such sales are made.

“Issuance Shares” means all shares of Common Stock issued or issuable pursuant to an Issuance that has occurred or may occur in accordance with the terms and conditions of this Agreement.

“Issuer Free Writing Prospectus” means any “issuer free writing prospectus,” as defined in Rule 433 under the Securities Act, relating to the Shares that (i) is required to be filed with the Commission by the Company, (ii) is a “road show” that is a “written communication” within the meaning of Rule 433(d)(8)(i) under the Securities Act whether or not required to be filed with the Commission, or (iii) is exempt from filing pursuant to Rule 433(d)(5)(i) under the Securities Act because it contains a description of the Shares or of the offering that does not reflect the final terms, and all free writing prospectuses that are listed on Exhibit F, in each case in the form furnished (electronically or otherwise) to the Agents or the Forward Sellers for use in connection with the offering of the Shares.

“NYSE” means the New York Stock Exchange.

“Sales Price” means, for each Forward or each Issuance hereunder, the actual sale execution price of each Forward Hedge Share or Issuance Share, as the case may be, sold by an Agent or a Forward Seller on the NYSE hereunder in the case of ordinary brokers’ transactions, or as otherwise agreed by the parties in other methods of sale.

“Selling Period” means any Forward Hedge Selling Period or any Issuance Selling Period.

“Settlement Date” means, unless the Company and an Agent shall otherwise agree, any Forward Hedge Settlement Date or any Issuance Settlement Date, as applicable.

“Shares” means Issuance Shares and Forward Hedge Shares, as applicable.

“Trading Day” means any day on which shares of Common Stock are purchased and sold on the principal market on which the Common Stock is listed or quoted.

SECTION 2. Placements. In reliance upon the representations, warranties and agreements herein contained, and subject to the terms and conditions set forth herein, the parties agree as follows:

(a) On any Trading Day during the Commitment Period on which (i) the conditions set forth in Section 9 have been satisfied and (ii) with respect to any Forward, during a Forward Hedge Selling Period, the Company may issue (in the case of an Issuance) and sell or cause to be sold the Shares hereunder (each, a “Placement”), by the delivery of a notice to an Agent (in the case of an Issuance), or to a Forward Seller and the applicable Forward Purchaser (in the case of a Forward), in each case, by an email (or other method mutually agreed to in writing by the parties) containing the parameters in accordance with which it desires the Shares to be sold, which shall specify whether it relates to an “Issuance” or a “Forward” and include the maximum number of Shares to be sold (the “Placement Shares”), the time period during which sales are requested to be made, any limitation on the number of Shares that may be sold in any one day, any minimum price below which sales may not be made or a formula pursuant to which such minimum price shall be determined and, as applicable, certain specified terms of the Forward (a “Placement Notice”), a form of which containing such minimum sales parameters necessary with respect to Issuances and Forwards is attached hereto as Exhibit A. The Placement Notice shall originate from any of the individuals from the Company set forth on Exhibit B (with a copy to each of the other individuals from the Company set forth on Exhibit B), and shall be addressed to each of the individuals from the applicable Agent or the applicable Forward Seller and Forward Purchaser set forth on Exhibit B (as such Exhibit B may be amended from time to time). In the case of a Forward, along with the Placement Notice, the Company shall deliver a duly executed Confirmation, with terms corresponding to such Placement.

(b) If an Agent or a Forward Seller and a Forward Purchaser, as applicable, wish to accept such proposed terms included in the Placement Notice and, in the case of a Forward, the Confirmation (which they may decline to do for any reason in their sole discretion) or, following discussion with the Company, wish to accept amended terms, such Agent or such Forward Seller and Forward Purchaser, as applicable, will, prior to 4:30 p.m. (New York City Time) on the business day following the business day on which such Placement Notice was delivered to such Agent or such Forward Seller and Forward Purchaser, as applicable, issue to the Company a notice by email (or other method mutually agreed to in writing by the parties) addressed to all of the individuals from the Company and such Agent or such Forward Seller and Forward Purchaser, as applicable, set forth on Exhibit B, setting forth the terms that such Agent or such Forward Seller and Forward Purchaser, as applicable, are willing to accept. Where the terms provided in the Placement Notice are amended as provided for in the immediately preceding sentence, such terms will not be binding on the Company or an Agent or a Forward Seller and Forward Purchaser, as applicable, until the Company delivers to such Agent or such Forward Seller and Forward Purchaser, as applicable, an acceptance by email (or other method mutually agreed to in writing by the parties) of all of the terms of such Placement Notice, as amended (an

“Acceptance”), which email shall be addressed to all of the individuals from the Company and such Agent or such Forward Seller and Forward Purchaser, as applicable, set forth on Exhibit B, along with, in the case of a Forward, a duly executed amended Confirmation, with terms corresponding to such Placement (as amended). The Placement Notice (as amended by the corresponding Acceptance, if applicable) shall be effective upon receipt by the Company of an Agent’s or a Forward Seller’s and Forward Purchaser’s, as applicable, acceptance of the terms of the Placement Notice or upon receipt by an Agent or a Forward Seller and Forward Purchaser, as applicable, of the Company’s Acceptance, as the case may be, unless and until (i) the entire amount of the Placement Shares has been sold, (ii) in accordance with the notice requirements set forth in the second sentence of the prior paragraph, the Company terminates the Placement Notice, (iii) the Company issues a subsequent Placement Notice with parameters superseding those on the earlier dated Placement Notice, (iv) this Agreement has been terminated pursuant to Section 13 or (v) any party shall have suspended the sale of the Placement Shares in accordance with Section 4. With respect to an Issuance, it is expressly acknowledged and agreed that neither the Company nor any Agent will have any obligation whatsoever with respect to a Placement or any Placement Shares unless and until the Company delivers a Placement Notice to an Agent and either (i) such Agent accepts the terms of such Placement Notice or (ii) where the terms of such Placement Notice are amended by such Agent, the Company accepts such amended terms by means of an Acceptance pursuant to the terms set forth above, and then only upon the terms specified in the Placement Notice (as amended by the corresponding Acceptance, if applicable) and herein. With respect to a Forward, it is expressly acknowledged and agreed that the Company, the applicable Forward Seller and Forward Purchaser will have no obligation whatsoever with respect to a Placement or any Placement Shares unless and until (i) the Company delivers a Placement Notice to such Forward Seller and Forward Purchaser and either (x) such Forward Seller and Forward Purchaser accept the terms of such Placement Notice or (y) where the terms of such Placement Notice are amended by such Forward Seller or Forward Purchaser, the Company accepts such amended terms by means of an Acceptance pursuant to the terms set forth above, and then only upon the terms specified in the Placement Notice (as amended by the corresponding Acceptance, if applicable), this Agreement and the applicable Confirmation, and (ii) the Forward Purchaser executes and delivers to the Company the applicable Confirmation. In the event of a conflict between the terms of this Agreement and the terms of a Placement Notice (as amended by the corresponding Acceptance, if applicable), the terms of the Placement Notice (as amended by the corresponding Acceptance, if applicable) will control.

(c) (i) No Placement Notice may be delivered hereunder other than on a Trading Day during the Commitment Period, (ii) no Placement Notice may be delivered hereunder if the Selling Period specified therein would overlap in whole or in part with any Selling Period specified in any other Placement Notice (as amended by the corresponding Acceptance, if applicable) delivered hereunder unless the Shares to be sold under all such previously delivered Placement Notices have all been sold, (iii) no Placement Notice may be delivered hereunder if any Selling Period specified therein would overlap in whole or in part with any Unwind Period under any Confirmation (as defined in such Confirmation) entered into between the Company and any Forward Purchaser and (iv) no Placement Notice specifying that it relates to a “Forward” may be delivered if such Placement Notice, together with all prior Placement Notices (as amended by the corresponding Acceptance, if applicable) delivered by the Company relating to a “Forward” hereunder, would result in the aggregate Capped Number under all Confirmations

entered into or to be entered into between the Company and the Forward Purchasers exceeding 19.99% of the number of shares of Common Stock outstanding as of the date of this Agreement.

(d) Notwithstanding any other provision of this Agreement, any notice required to be delivered by the Company or by an Agent (in the case of an Issuance) or a Forward Seller and Forward Purchaser (in the case of a Forward) pursuant to this Section 2 may be delivered by telephone (confirmed promptly by facsimile, email or other method mutually agreed to in writing by the parties, addressed to all of the individuals from the Company and such Agent (in the case of an Issuance) or such Forward Seller and Forward Purchaser (in the case of a Forward) set forth on Exhibit B (as such Exhibit B may be amended from time to time), which confirmation will be promptly acknowledged by the receiving party) or other method mutually agreed to in writing by the parties. For the avoidance of doubt, notices delivered by telephone shall originate from any of the individuals from the Company or an Agent (in the case of an Issuance) or a Forward Seller and a Forward Purchaser (in the case of a Forward) set forth on Exhibit B (as such Exhibit B may be amended from time to time).

SECTION 3. Sale of Shares.

(a) Subject to the provisions of Section 6(a), upon the delivery of a Placement Notice (as amended by the corresponding Acceptance, if applicable) to an Agent specifying that it relates to an "Issuance," such Agent will use its commercially reasonable efforts consistent with its normal trading and sales practices to sell the Issuance Shares at market prevailing prices up to the amount specified, and otherwise in accordance with the terms of such Placement Notice (as amended by the corresponding Acceptance, if applicable). The Agent will provide written confirmation by email (or other method mutually agreed to in writing by the parties) to all of the individuals from the Company set forth on Exhibit B (as such Exhibit B may be amended from time to time) no later than the opening of the Trading Day immediately following the Trading Day on which it has made sales of Issuance Shares hereunder setting forth the number of Issuance Shares sold on such day, the corresponding Sales Price, the compensation payable by the Company to such Agent pursuant to this Section 3(a) with respect to such sales, and the Net Proceeds (as defined in Section 6(b)) payable to the Company, with an itemization of the deductions made by the Agent (as set forth in Section 6(b)) from the Gross Proceeds (as defined in Section 6(b)) (prior to deductions for transaction fees) that it receives from such sales. The amount of any commission, discount or other compensation to be paid by the Company to an Agent, when such Agent is acting as agent, in connection with the sale of the Issuance Shares shall be determined in accordance with the terms set forth on Exhibit C. The amount of any commission, discount or other compensation to be paid by the Company to an Agent, when such Agent is acting as principal, in connection with the sale of the Shares shall be as separately agreed in writing among the relevant parties hereto at the time of any such sales.

(b) In addition, subject to the provisions of Section 6(d) and the applicable Confirmation, upon the delivery of a Placement Notice (as amended by the corresponding Acceptance, if applicable) specifying that it relates to a "Forward" and execution and delivery by the parties thereto of the applicable Confirmation, the applicable Forward Purchaser will use its commercially reasonable efforts to borrow or cause its affiliate to borrow, offer and sell Forward Hedge Shares through the applicable Forward Seller to hedge the Forward, and the applicable

Forward Seller will use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such Forward Hedge Shares at market prevailing prices up to the Forward Hedge Amount specified in such Placement Notice (as amended by the corresponding Acceptance, if applicable), and otherwise in accordance with the terms of such Placement Notice (as amended by the corresponding Acceptance, if applicable). Such Forward Seller will provide written confirmation by email (or other method mutually agreed to in writing by the parties) to all of the individuals from the Company set forth on Exhibit B (as such Exhibit B may be amended from time to time) and to the applicable Forward Purchaser no later than the opening of the Trading Day immediately following the Trading Day on which it has made sales of Forward Hedge Shares hereunder setting forth the number of Forward Hedge Shares sold on such day, the corresponding Sales Price and the Forward Hedge Price payable to such Forward Purchaser in respect thereof.

(c) Promptly following the completion of the Forward Hedge Selling Period, the applicable Forward Purchaser shall execute and deliver to the Company a Pricing Supplement (in the form set forth on Annex A to the applicable Confirmation), which shall set forth the initial “Number of Shares” for such Forward (which shall be the Actual Sold Forward Amount for such Forward Hedge Selling Period), the “Hedge Completion Date” for such Forward and the “Initial Forward Price” for such Forward.

(d) Notwithstanding anything herein to the contrary, any Forward Purchaser’s obligation to use its commercially reasonable efforts to borrow or cause its affiliate to borrow all or any portion of the Forward Hedge Shares (and the applicable Forward Seller’s obligation to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such portion of the Forward Hedge Shares) for any Forward hereunder shall be subject in all respects to the last paragraph of Section 4 of the applicable Confirmation.

(e) The Shares may be offered and sold by any method permitted by law deemed to be an “at the market” offering as defined in Rule 415 under the Securities Act, including without limitation sales made directly on the NYSE, on any other existing trading market for the Common Stock or to or through a market maker, or subject to the terms of the Placement Notice (as amended by the corresponding Acceptance, if applicable), any other method permitted by law, including but not limited to, privately negotiated transactions.

(f) If the Company or any Agent has reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are not satisfied with respect to the Company or the Shares, it shall promptly notify the other parties, and sales of Shares under this Agreement shall be suspended until that or other exemptive provisions have been satisfied in the judgment of all parties.

SECTION 4. Suspension of Sales. The Company, an Agent or a Forward Seller or Forward Purchaser may, upon notice to the other parties in writing (including by email correspondence or other method mutually agreed to in writing by the parties) to each of the individuals of the other party set forth on Exhibit B (as such Exhibit B may be amended from time to time), if receipt of such correspondence is actually acknowledged by any of the individuals to whom the notice is sent, other than via auto-reply, or by telephone (confirmed

immediately by verifiable facsimile transmission, email correspondence or other method mutually agreed to in writing by the parties) to each of the individuals of the other party set forth on Exhibit B (as such Exhibit B may be amended from time to time), suspend any sale of Shares, and the applicable Selling Period shall immediately terminate; *provided, however*, that such suspension and termination shall not affect or impair any party's obligations with respect to any Shares sold hereunder prior to the receipt of such notice (and, in the case of any Forward Hedge Shares, the resulting Confirmation). The Company agrees that no such notice shall be effective against an Agent, a Forward Seller or a Forward Purchaser unless it is made to one of the individuals named on Exhibit B (as such Exhibit B may be amended from time to time); *provided, however*, that the failure by the Company to deliver such notice shall in no way affect its right to suspend the sale of Shares hereunder. Each of the Agents, the Forward Sellers and the Forward Purchasers agree that no such notice shall be effective against the Company unless it is made to one of the individuals named on Exhibit B (as such Exhibit B may be amended from time to time); *provided, however*, that the failure by an Agent, a Forward Seller or a Forward Purchaser to deliver such notice shall in no way effect such party's right to suspend the sale of Shares hereunder.

SECTION 5. Representations and Warranties.

(a) *Representations and Warranties of the Company.* The Company represents and warrants to each Agent, each Forward Seller and each Forward Purchaser as of the date hereof, as of each Representation Date (as defined below) on which a certificate is required to be delivered pursuant to Section 7(o) of this Agreement, as of each Applicable Time and as of each Settlement Date, and agrees with each Agent, each Forward Seller and each Forward Purchaser, as follows:

(i) The Shares have been duly registered under the Securities Act pursuant to the Registration Statement. The Registration Statement became effective upon filing with the Commission pursuant to Rule 462 under the Securities Act, and no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for such purpose or pursuant to Section 8A of the Securities Act have been initiated or threatened by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times each of the Registration Statement and any post-effective amendments thereto became or becomes effective and as of the date hereof, the Registration Statement and any amendments and supplements thereto complied, will comply and comply in all material respects with the requirements of the Securities Act. The conditions for the use of Form S-3, as set forth in the General Instructions thereto, and the Registration Statement meets, and the offering and sale of the Shares as contemplated hereby complies with, the requirements of Rule 415 under the Securities Act (including, without limitation, Rule 415(a)(5) under the Securities Act). The Registration Statement, as of the date hereof and as of each effective date with respect thereto, 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 not misleading. Neither the Prospectus nor any amendments or supplements thereto, as

of their respective dates, as of each Applicable Time and as of each Settlement Date, included or will include an untrue statement of a material fact or omitted or will omit 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.

The representations and warranties set forth in the immediately preceding paragraph shall not apply to statements in or omissions from the Registration Statement or the Prospectus, as amended or supplemented, made in reliance upon and in conformity with information furnished to the Company in writing by the Agents, the Forward Sellers or the Forward Purchasers expressly for use therein. For purposes of this Agreement, the only information so furnished shall be the legal and/or marketing names of the Agents, the Forward Sellers and the Forward Purchasers appearing on the front cover page of the Prospectus.

The copies of the Registration Statement and any amendments thereto, each Issuer Free Writing Prospectus that is required to be filed with the Commission pursuant to Rule 433 under the Securities Act and the Prospectus and any amendments or supplements thereto delivered and to be delivered to the Agents or the Forward Sellers (electronically or otherwise) in connection with the offering of the Shares are and will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

Each Issuer Free Writing Prospectus relating to the Shares specified on Exhibit F, as of its date, as of the date hereof, as of each Applicable Time and as of each Settlement Date, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, including any incorporated document deemed to be a part thereof, that has not been superseded or modified, or included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in light of the circumstances, prevailing at that subsequent time, not misleading.

Any electronic roadshow or other written communication that constitutes an offer to buy the Shares provided to investors by, or with the approval of, the Company, as of each Applicable Time and Settlement Date, did not include any untrue statement of a material fact or omit 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, except that the Company makes no warranty or representation to the Agents, the Forward Sellers or the Forward Purchasers with respect to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Agents, the Forward Sellers or the Forward Purchasers specifically for use in any such roadshow or other written communication.

At (i)(a) the time of the initial filing of the Registration Statement, (b) the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Securities Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Exchange Act or form of

prospectus) and (c) 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 Securities Act) of the Shares, the Company was not an ineligible issuer as defined in Rule 405 of the Securities Act. The Company is, and was at the time of the initial filing of the Registration Statement, and will be as of each Applicable Time and Settlement Date, eligible to use Form S-3 under the 1933 Act.

(ii) Any pro forma financial statements of the Company and its subsidiaries and the related notes thereto incorporated by reference in the Registration Statement 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.

(iii) The documents and interactive data in eXtensible Business Reporting Language incorporated or deemed to be incorporated by reference in the Registration Statement 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 Exchange Act, and, when read together with the other information in the Prospectus, (a) at the time the Registration Statement became effective, (b) as of each Representation Date on which a certificate is required to be delivered pursuant to Section 7(o) of this Agreement, (c) as of each Applicable Time and (d) as of each Settlement 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.

(iv) The Company is not required to be qualified as a foreign corporation to transact business in Indiana, North Carolina, Ohio, South Carolina and Florida.

(v) 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 Company within the meaning of Rule 1-02 of Regulation S-X under the Securities 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").

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

(vii) The Confirmations, if any, will be duly authorized, executed and delivered by the Company.

(viii) The Shares, if any, to be issued and sold by the Company hereunder and, in the case of any Forward, the related Confirmation, have been duly authorized for issuance and sale to the Agents pursuant to this Agreement and, in the case of any

Forward, the related Confirmation, and when issued and delivered by the Company pursuant to this Agreement and, in the case of any Forward, the related Confirmation, against payment of the consideration set forth herein, will be validly issued, fully paid and nonassessable. The Common Stock conforms in all material respects to the description thereof in the base prospectus included as part of the Registration Statement under the caption "Description of Capital Stock." The Shares issuable pursuant to each Confirmation, if any, have been duly authorized by the Company for such issuance and, when issued and delivered by the Company to the applicable Forward Purchaser pursuant to such Confirmation, against payment of any consideration required to be paid by the Forward Purchaser pursuant to the terms of such Confirmation, will be validly issued, fully paid and non-assessable, and the issuance thereof is not subject to any preemptive or similar rights of any security holder of the Company. No holder of the Shares or shares of Common Stock issuable under any Confirmations will be subject to personal liability by reason of being such a holder; and the issuance of the Shares is not subject to the preemptive or other similar rights of any security holder of the Company.

(ix) The compliance by the Company with all of the provisions of this Agreement and any Confirmations have been duly authorized by all necessary corporate action and the consummation of the transactions contemplated herein or therein 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 Principal Subsidiaries 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 Company 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 of the Company (the "Certificate of Incorporation"), the amended and restated By-Laws of the Company (the "By-Laws") or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or the 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 Company and its subsidiaries, taken as a whole.

(x) 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 or any Confirmations, except for the approval of the North Carolina Utilities Commission which has been received as of the date of this Agreement, registration under the Securities Act of the Shares 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 Shares by the Agents, the Forward Sellers and the Forward Purchasers.

(xi) The Common Stock is an "actively traded security" excepted from the requirements of Rule 101 of Regulation M under the Exchange Act by subsection (c)(1) of such rule.

(xii) Other than excepted activity pursuant to Regulation M under the Exchange Act, the Company has not taken and will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security to facilitate the sale or resale of the Shares.

(xiii) 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 Company for the fiscal year ended December 31, 2016 or any subsequent Annual Report on Form 10-K or Quarterly Report on Form 10-Q of the Company or Current Report on Form 8-K of the Company, except to the extent that such agreement is no longer in effect or to the extent that neither the Company nor any subsidiary of the Company 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 Company.

(xiv) The Company acknowledges and agrees that the Agents or the Forward Sellers, as applicable, have informed the Company that such Agents or Forward Sellers may, to the extent permitted under the Securities Act and the Exchange Act, purchase and sell shares of Common Stock for their own account while this Agreement is in effect, and shall be under no obligation to purchase Shares on a principal basis pursuant to this Agreement, subject to Section 1 and except as otherwise agreed to by an Agent or a Forward Seller, as applicable, in the applicable Placement Notice (as amended by the corresponding Acceptance, if applicable).

(b) *Certificates.* Any certificate signed by any officer of the Company or any of its subsidiaries and delivered to the Agents, the Forward Sellers or the Forward Purchasers or to counsel for the Agents, the Forward Sellers and the Forward Purchasers shall be deemed a representation and warranty by the Company to the Agents, the Forward Sellers and the Forward Purchasers as to the matters covered thereby.

SECTION 6. Sale and Delivery; Settlement.

(a) *Sale of Issuance Shares.* On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, upon an Agent's acceptance of the terms of a Placement Notice specifying that it relates to an "Issuance" or upon receipt by an Agent of an Acceptance, as the case may be, and unless the sale of the Issuance Shares described therein has been declined, suspended, or otherwise terminated in accordance with the terms of this Agreement, such Agent will, for the period specified in such Placement Notice (as amended by the corresponding Acceptance, if applicable), use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such Issuance Shares at market prevailing prices up to the amount specified, and otherwise in accordance with the terms of such Placement Notice (as amended by the corresponding Acceptance, if applicable). The Company acknowledges and agrees that (i) there can be no assurance that any Agent will be successful in selling Issuance Shares, (ii) no Agent will incur any liability or obligation to the Company or any other person or entity if it does not sell Issuance Shares for any reason other than a failure by

such Agent to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such Issuance Shares as required under this Section 6 and (iii) no Agent shall be under any obligation to purchase Issuance Shares on a principal basis pursuant to this Agreement, except as otherwise agreed by such Agent in a Placement Notice (as amended by the corresponding Acceptance, if applicable) and subject to Section 1 hereof.

(b) *Settlement of Issuance Shares.* On each Issuance Settlement Date, the Issuance Shares sold through an Agent for settlement on such date shall be delivered by the Company to such Agent against payment of (i) the Net Proceeds from the sale of such Issuance Shares or (ii) as mutually agreed between the Company and such Agent, the Gross Proceeds from the sale of such Issuance Shares. The gross proceeds to the Company (the "Gross Proceeds") shall be equal to the aggregate offering price received by an Agent at which such Issuance Shares were sold, after deduction for any transaction fees imposed by any governmental or self-regulatory organization in respect of such sales. The net proceeds to the Company (the "Net Proceeds") shall be equal to the Gross Proceeds less such Agent's commission, discount or other compensation payable by the Company pursuant to Section 3 and any other amounts due and payable by the Company to such Agent hereunder pursuant to Section 8(a). In the event the Company and an Agent have mutually agreed to the delivery of Gross Proceeds at an Issuance Settlement Date, such Agent's commission, discount or other compensation for such sales payable by the Company pursuant to Section 3 hereof and any other amounts due and payable by the Company to such Agent hereunder pursuant to Section 8(a) shall be set forth and invoiced in a periodic statement from such Agent to the Company, payment to be made by the Company promptly after its receipt thereof.

(c) *Delivery of Issuance Shares.* On or before each Issuance Settlement Date, the Company will, or will cause its transfer agent to, electronically transfer the Issuance Shares being sold by crediting the applicable Agent's or its designee's account (provided such Agent shall have given the Company written notice of such designee prior to the Issuance Settlement Date) at The Depository Trust Company through its Deposit and Withdrawal at Custodian System or by such other means of delivery as may be mutually agreed upon by the relevant parties hereto which in all cases shall be freely tradable, transferable, registered shares in good deliverable form. On each Issuance Settlement Date, the applicable Agent will deliver the related Net Proceeds or Gross Proceeds, as applicable, in same day funds to an account designated by the Company prior to the Issuance Settlement Date. The Company agrees that if the Company, or its transfer agent (if applicable), defaults in its obligation to deliver Issuance Shares on an Issuance Settlement Date, the Company, in addition to and in no way limiting the rights and obligations set forth in Section 10 and Section 11, will (i) hold such Agent harmless against any loss, liability, claim, damage, or expense whatsoever (including reasonable legal fees and expenses), as incurred, arising out of or in connection with such default by the Company or its transfer agent (if applicable) and (ii) pay to such Agent any commission, discount, or other compensation to which it would otherwise have been entitled absent such default.

(d) *Sale of Forward Hedge Shares.* On the basis of the representations and warranties herein contained and subject to the terms and conditions in this Agreement and the Confirmation, upon a Forward Purchaser and Forward Seller's acceptance of the terms of a Placement Notice specifying that it relates to a "Forward" or upon receipt by a Forward Purchaser and Forward Seller of an Acceptance, as the case may be, and execution and delivery by all relevant parties of

the related Confirmation, and unless the sale of the Forward Hedge Shares described therein has been declined, suspended, or otherwise terminated in accordance with the terms of this Agreement or such Confirmation, such Forward Purchaser will use its commercially reasonable efforts to borrow or cause its affiliate to borrow a number of Forward Hedge Shares sufficient to have an aggregate Sales Price as close as reasonably practicable to the Forward Hedge Amount specified in the Placement Notice (as amended by the corresponding Acceptance, if applicable) and the applicable Forward Seller will use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such Forward Hedge Shares at market prevailing prices, and otherwise in accordance with the terms of such Placement Notice (as amended by the corresponding Acceptance, if applicable). Each of the Company and the Forward Purchasers acknowledges and agrees that (i) there can be no assurance that any Forward Purchaser or its affiliate will be successful in borrowing or that any Forward Seller will be successful in selling Forward Hedge Shares, (ii) no Forward Seller will incur any liability or obligation to the Company, any Forward Purchaser, or any other person or entity if it does not sell Forward Hedge Shares borrowed by such Forward Purchaser or its affiliate for any reason other than a failure by such Forward Seller to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such Forward Hedge Shares as required under this Section 6, and (iii) no Forward Purchaser will incur any liability or obligation to the Company, the Forward Seller, or any other person or entity if it or its affiliate does not borrow Forward Hedge Shares for any reason other than a failure by such Forward Purchaser to use its commercially reasonable efforts to borrow or cause its affiliate to borrow such Forward Hedge Shares as required under this Section 6. In acting hereunder, each Forward Seller will be acting as an agent for the applicable Forward Purchaser and not as principal.

(e) *Delivery of Forward Hedge Shares.* On or before each Forward Hedge Settlement Date, the applicable Forward Purchaser will, or will cause its transfer agent to, electronically transfer the Forward Hedge Shares being sold by crediting the applicable Forward Seller or its designee's account (provided such Forward Seller shall have given the applicable Forward Purchaser written notice of such designee prior to the Forward Hedge Settlement Date) at The Depository Trust Company through its Deposit and Withdrawal at Custodian System or by such other means of delivery as may be mutually agreed upon by the parties hereto which in all cases shall be freely tradable, transferable, registered shares in good deliverable form. On each Forward Hedge Settlement Date, the applicable Forward Seller will deliver the related aggregate Forward Hedge Price to the applicable Forward Purchaser in same day funds to an account designated by such Forward Purchaser prior to the relevant Forward Hedge Settlement Date.

(f) *Denominations; Registration.* The Shares shall be in such denominations and registered in such names as an Agent or a Forward Seller, as applicable, may request in writing at least one full business day before the Settlement Date. The Company or a Forward Purchaser, as applicable, shall deliver the Shares, if any, through the facilities of The Depository Trust Company as described in the preceding paragraphs unless such Agent or such Forward Seller, as applicable, shall otherwise instruct.

(g) *Limitations on Offering Size.* Under no circumstances shall the Company cause or request the offer or sale of any Shares if, after giving effect to the sale of such Shares, the aggregate offering price of the Shares sold pursuant to this Agreement would exceed the lesser of (i) the Maximum Amount, (ii) the amount available for offer and sale under the currently

effective Registration Statement, or (iii) the amount authorized from time to time to be issued and sold under this Agreement by the Board of Directors of the Company or a duly authorized committee thereof. Under no circumstances shall the Company cause or request the offer or sale of any Shares pursuant to this Agreement at a price lower than the minimum price authorized from time to time by the Board of Directors of the Company and notified to an Agent or a Forward Seller, as applicable, in writing.

(h) *Limitations on Agents and Forward Sellers.* The Company agrees that any offer to sell, any solicitation of an offer to buy or any sales of Shares or any other equity security of the Company shall only be effected by or through one Agent or Forward Seller, as the case may be, on any single given day, but in no event more than one, and the Company shall in no event request that more than one Agent or Forward Seller, as the case may be, sell Shares on the same day; provided, however, that (a) the foregoing limitation shall not apply to (i) the exercise of any option, warrant, right or any conversion privilege set forth in the instrument governing such security or (ii) sales solely to employees, directors or security holders of the Company or its subsidiaries, or to a trustee or other person acquiring such Shares for the accounts of such persons, (b) such limitation shall not apply on any day during which no sales are made pursuant to this Agreement, and (c) such limitation shall not apply if, prior to any such request to sell Shares, all Shares the Company has previously requested the Agents or the Forward Sellers to sell have been sold.

(i) *Certain Blackout Periods.* Notwithstanding any other provision of this Agreement, the Company shall not offer, sell or deliver, or request the offer or sale of, any Shares and, by notice to an Agent (in the case of an Issuance) or a Forward Seller and Forward Purchaser (in the case of a Forward) given by telephone (confirmed promptly by facsimile transmission, email or other method mutually agreed to in writing by the parties), shall cancel any instructions for the offer or sale of any Shares, and no Agent, Forward Seller or Forward Purchaser, as the case may be, shall be obligated to offer or sell any Shares (i) during the period beginning on the 10th business day after the end of each calendar quarter through and including the first date (each, an "Announcement Date") on which the Company shall issue a press release containing, or shall otherwise publicly announce, its earnings or revenue results for a completed fiscal year or quarter (each, an "Earnings Announcement"), (ii) except as provided in Section 6(j) below, at any time from and including an Announcement Date through and including the time that the Company files (a "Filing Time") a Quarterly Report on Form 10-Q or an Annual Report on Form 10-K that includes consolidated financial statements as of and for the same period or periods, as the case may be, covered by such Earnings Announcement, or (iii) during any other period in which the Company is in possession of material non-public information; provided that, unless otherwise agreed between the Company and an Agent, a Forward Seller or a Forward Purchaser, as the case may be, for purposes of (i) and (ii) above, such period shall be deemed to end at the relevant Filing Time.

(j) *Filing of Earnings 8-K.* If the Company wishes to offer, sell or deliver Shares at any time during the period from and including an Announcement Date through and including the corresponding Filing Time, the Company shall (i) prepare and deliver to the Agents (in the case of an Issuance) or the Forward Sellers and Forward Purchasers (in the case of a Forward) (with a copy to their respective counsel) a Current Report on Form 8-K which shall include substantially the same financial and related information as was set forth in the relevant Earnings

Announcement (other than any earnings projections, similar forward-looking data and officers' quotations) (each, an "Earnings 8-K"), in form and substance reasonably satisfactory to the Agents or the Forward Sellers and Forward Purchasers, as the case may be, and obtain the consent of the Agents or the Forward Sellers and Forward Purchasers, as the case may be, to the filing thereof (such consent not to be unreasonably withheld); (ii) provide the Agents or the Forward Sellers and Forward Purchasers, as the case may be, with the officers' certificate, opinions/letters of counsel and accountants' letter called for by Sections 7(o), (p) and (q) hereof, respectively; (iii) afford the Agents or the Forward Sellers and the Forward Purchasers, as the case may be, the opportunity to conduct a due diligence review in accordance with Section 7(m) hereof; and (iv) file such Earnings 8-K with the Commission. The provisions of clause (ii) of Section 6(i) shall not be applicable for the period from and after the time at which the foregoing conditions shall have been satisfied (or, if later, the time that is 24 hours after the time that the relevant Earnings Announcement was first publicly released) through and including the Filing Time of the relevant Quarterly Report on Form 10-Q or Annual Report on Form 10-K under the Exchange Act, as the case may be. For purposes of clarity, the parties hereto agree that (A) the delivery of any officers' certificate, opinions/letters of counsel and accountants' letter pursuant to this Section 6(j) shall not relieve the Company from any of its obligations under this Agreement with respect to any Quarterly Report on Form 10-Q or Annual Report on Form 10-K, as the case may be, including, without limitation, the obligation to deliver officers' certificates, opinions/letters of counsel and accountants' letters as provided in Sections 7(o), (p) and (q) hereof and (B) other than as set forth in this Section 6(j), this Section 6(j) shall in no way affect or limit the operation of the provisions of clauses (i) and (iii) of Section 6(i), which shall have independent application.

SECTION 7. Covenants of the Company. The Company covenants with each of the Agents, the Forward Sellers and the Forward Purchasers as follows:

(a) The Company will not file any amendment or supplement to the Registration Statement or Prospectus, other than documents incorporated by reference, unless a copy thereof has been submitted to the Agents, the Forward Sellers and the Forward Purchasers within a reasonable period of time before the filing and the Agents, the Forward Sellers and the Forward Purchasers have not reasonably objected thereto (*provided, however*, that the failure of the Agents, the Forward Sellers or the Forward Purchasers to make such objection shall not relieve the Company of any obligation or liability hereunder, or affect the Agents', the Forward Sellers' or the Forward Purchasers' right to rely on the representations and warranties made by the Company in this Agreement) and the Company will promptly notify the Agents, the Forward Sellers and the Forward Purchasers when any such filing has been made or become effective, as applicable, and furnish to the Agents, the Forward Sellers and the Forward Purchasers at the time of filing thereof a copy of any document that upon filing is deemed to be incorporated by reference into the Registration Statement or Prospectus, except for those documents available via EDGAR. The Company will cause each amendment or supplement to the Prospectus, other than documents incorporated by reference or an amendment or supplement relating solely to the issuance or offering of securities other than the Shares, to be filed with the Commission as required pursuant to the applicable paragraph of Rule 424(b) under the Securities Act (without reliance on Rule 424(b)(8) under the Securities Act).

(b) The Company will advise the Agents, the Forward Sellers and the Forward Purchasers promptly of the institution by the Commission of any stop order proceedings in respect of the Registration Statement or any proceedings pursuant to Section 8A of the Securities Act, 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.

(c) The Company will furnish to the Agents, the Forward Sellers and the Forward Purchasers, without charge, copies of the Registration Statement (which will include all exhibits other than those incorporated by reference), the Prospectus, any Issuer Free Writing Prospectuses, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Agents, the Forward Sellers and the Forward Purchasers may reasonably request.

(d) The Company, during any period when a prospectus relating to the Shares is required to be delivered under the Securities Act, will timely file all documents required to be filed with the Commission pursuant to Section 13 or 14 of the Exchange Act. If at any time when a prospectus relating to the Shares (or the notice referred to in Rule 173(a) under the Securities Act) is required to be delivered under the Securities Act any event occurs as a result of which 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 Prospectus to comply with the Securities Act, the Company will prepare and file with the Commission an amendment, supplement or an appropriate document pursuant to Section 13 or 14 of the Exchange Act which will correct such statement or omission or which will effect such compliance.

(e) Without the prior consent of the Agents, the Forward Sellers and the Forward Purchasers, the Company has not made and will not make any offer relating to the Shares that would constitute a “free writing prospectus” as defined in Rule 405 under the Securities Act, other than an Issuer Free Writing Prospectus; each Agent, Forward Seller and Forward Purchaser, 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 Shares that would constitute a “free writing prospectus” as defined in Rule 405 under the Securities Act, other than an Issuer Free Writing Prospectus or a free writing prospectus that is not required to be filed by the Company pursuant to Rule 433 under the Securities Act; any such free writing prospectus, the use of which has been consented to by the Company and the Agents, the Forward Sellers and the Forward Purchasers, is listed herein on Exhibit E.

(f) The Company represents that it has treated or agrees that it will treat each Issuer Free Writing Prospectus as an “issuer free writing prospectus,” as defined in Rule 433 under the Securities Act, and has complied and will comply with the requirements of Rule 433 under the Securities Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping. The Company agrees that if at any time following the issuance of an Issuer Free Writing Prospectus or any electronic roadshow or other written communication that constitutes an offer to buy the Shares provided to investors by, or with the approval of, the Company, any event occurs as a result of which such Issuer Free Writing Prospectus or such electronic roadshow or other written communication would conflict

with the information in the Registration Statement 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 Agents, the Forward Sellers and the Forward Purchasers, and, if requested by the Agents, the Forward Sellers and the Forward Purchasers, will prepare and furnish without charge to each Agent, Forward Seller and Forward Purchaser a free writing prospectus or other document, the use of which has been consented to by the Agents, which will correct such conflict, statement or omission.

(g) The Company will arrange or cooperate in arrangements, if necessary, for the qualification of the Shares 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 consents to service of process under the laws of any jurisdiction where it is not now so subject.

(h) The Company 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 Securities Act, which need not be certified by independent certified public accountants unless required by the Securities Act) covering (i) a twelve-month period beginning not later than the first day of the Company'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 Company's fiscal quarter next following the date of this Agreement.

(i) The Company will use the net proceeds received by it from the sale of the Shares in the manner specified in the Prospectus under "Use of Proceeds."

(j) During any Selling Period or period in which the Prospectus relating to the Shares is required by the Securities Act to be delivered in connection with a pending sale of the Shares (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), the Company will use its commercially reasonable efforts to cause the Shares to be listed on the NYSE.

(k) The Company, during any period when the Prospectus is required to be delivered under the Securities Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), will file all documents required to be filed with the Commission pursuant to the Exchange Act within the time periods required by the Exchange Act.

(l) The Company will, at any time during a fiscal quarter in which the Company intends to tender a Placement Notice or sell Shares, advise the Agents, Forward Sellers and Forward Purchasers promptly after it shall have received notice or obtained knowledge, of any information or fact that would alter or affect in any material respect any opinion, certificate, letter or other document provided to the Agents, the Forward Sellers or the Forward Purchasers, as applicable, pursuant to this Agreement.

(m) The Company will cooperate with any due diligence review reasonably requested by the Agents or the Forward Sellers and Forward Purchasers, as applicable, in connection with the transactions contemplated hereby, including, without limitation, and upon reasonable notice, providing information and making available documents and appropriate corporate officers, during regular business hours and at the Company's principal offices, as the Agents, Forward Sellers and Forward Purchasers may reasonably request.

(n) The Company will disclose in its Quarterly Reports on Form 10-Q and in its Annual Reports on Form 10-K the number of Shares sold pursuant to this Agreement and the Net Proceeds to the Company, together with any other information that the Company reasonably believes is required to comply with the Securities Act and the Exchange Act.

(o) (1) each time the Company:

(i) files the Prospectus relating to the Shares or amends or supplements the Registration Statement or the Prospectus relating to the Shares by means of a post-effective amendment, sticker, or supplement but not by means of incorporation of documents by reference into the Registration Statement or the Prospectus relating to the Shares;

(ii) files an Annual Report on Form 10-K under the Exchange Act;

(iii) files a Quarterly Report on Form 10-Q under the Exchange Act; or

(iv) files a Current Report on Form 8-K that contains financial statements or pro forma financial statements required under Item 2.01 or Item 4.02 or files financial statements or pro forma financial statements or pro forma financial information under Item 9.01 of Form 8-K; and

(2) at any other time reasonably requested by the Agents, the Forward Sellers or the Forward Purchasers (each such date of filing of one or more of the documents referred to in clauses (1)(i) through (iv) above and any time of request pursuant to this Section 7(o) shall be a "Representation Date"),

the Company shall furnish the Agents, the Forward Sellers and the Forward Purchasers with a certificate in the form attached hereto as Exhibit E. The requirement to provide a certificate under this Section 7(o) shall be waived (i) on the date of this Agreement and (ii) for any Representation Date occurring at a time at which no Placement Notice (as amended by the corresponding Acceptance, if applicable) is pending, which waiver shall continue until the earlier to occur of the date the Company delivers a Placement Notice hereunder (which for such calendar quarter shall be considered a Representation Date) and the next occurring Representation Date; *provided, however*, that such waiver shall not apply for any Representation Date on which the Company files its Annual Report on Form 10-K. Notwithstanding the foregoing, if the Company subsequently decides to sell Shares following a Representation Date when the Company relied on such waiver and did not provide the Agents with a certificate under this Section 7(o), then before the Company delivers the Placement Notice or any Agent or Forward Seller sells any Shares, the

Company shall provide the Agents, the Forward Sellers and the Forward Purchasers with a certificate, in the form attached hereto as Exhibit E, dated the date such certificate is delivered.

(p) The Company shall cause to be furnished to the Agents, the Forward Sellers and the Forward Purchasers (A) on the date of this Agreement, a written opinion of Hunton & Williams LLP (“Company Counsel”), or other counsel satisfactory to the Agents, the Forward Sellers and the Forward Purchasers, in form and substance satisfactory to the Agents, the Forward Sellers and the Forward Purchasers and their counsel, dated the date that the opinion is required to be delivered, substantially similar to the form attached hereto as Exhibit D-1 and (B) on each Representation Date with respect to which the Company is obligated to deliver a certificate in the form attached hereto as Exhibit E for which no waiver is applicable, (i) a written opinion and, if not covered in such opinion, a negative assurance letter, of Company Counsel, or other counsel satisfactory to the Agents, the Forward Sellers and the Forward Purchasers, in form and substance satisfactory to the Agents, the Forward Sellers and the Forward Purchasers and their counsel, dated the date that the opinion is required to be delivered, substantially similar to the form attached hereto as Exhibit D-2 and (ii) a written opinion of Robert T. Lucas III, Esq., Deputy General Counsel of Duke Energy Business Services LLC, a service company subsidiary of the Company (“Deputy General Counsel”), or other counsel satisfactory to the Agents, the Forward Sellers and the Forward Purchasers, in form and substance satisfactory to the Agents, the Forward Sellers and the Forward Purchasers and their counsel, dated the date that the opinion is required to be delivered, substantially similar to the form attached hereto as Exhibit D-3; in each case, modified as necessary to relate to the Registration Statement and the Prospectus as then amended or supplemented; *provided, however*, that in lieu of such opinions for subsequent Representation Dates, Company Counsel and Deputy General Counsel may each furnish the Agents, the Forward Sellers and the Forward Purchasers with a reliance letter to the effect that the Agents, the Forward Sellers and the Forward Purchasers may rely on a prior opinion delivered under this Section 7(p)(B) to the same extent as if it were dated the date of such letter (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented at such Representation Date).

(q) On each Representation Date with respect to which the Company is obligated to deliver a certificate in the form attached hereto as Exhibit E for which no waiver is applicable, the Company shall cause its independent accountants (and any other independent accountants whose report is included in the Registration Statement or the Prospectus) to furnish the Agents, the Forward Sellers and the Forward Purchasers a letter (the “Comfort Letter”), dated the date the Comfort Letter is delivered, in form and substance satisfactory to the Agents, the Forward Sellers and the Forward Purchasers (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act, the Exchange Act and the Public Company Accounting Oversight Board and (ii) stating, as of such date, the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants’ “comfort letters” to underwriters in connection with registered public offerings.

(r) On each Representation Date with respect to which the Company is obligated to deliver a certificate in the form attached hereto as Exhibit E for which no waiver is applicable, the Agents, the Forward Sellers and the Forward Purchasers shall have received the favorable

written opinion or opinions of Sidley Austin LLP, counsel for the Agents, the Forward Sellers and the Forward Purchasers, dated such date, with respect to such matters as the Agents, the Forward Sellers and the Forward Purchasers may reasonably request.

(s) The Company will not, directly or indirectly, (i) take any action designed to cause or result in, or that constitutes or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares or (ii) sell, bid for, or purchase the Shares to be issued and sold pursuant to this Agreement, or pay anyone any compensation for soliciting purchases of the Shares to be issued and sold pursuant to this Agreement other than the Agents and the Forward Sellers; *provided, however*, that the Company may bid for and purchase its Common Stock in accordance with Rule 10b-18 under the Exchange Act; and provided further, that no such bids or purchases shall be made by the Company during the two (2) Trading Days before or after any sale of any Shares pursuant to this Agreement.

(t) The Company consents to the Agents or the Forward Sellers, as applicable, trading in the Company's Common Stock for their own account and for the account of their clients at the same time as sales of Shares occur pursuant to this Agreement.

(u) Other than a "free writing prospectus" (as defined in Rule 405 under the Securities Act) approved in advance in writing by the Company and the Agents in their capacity as principals or agents hereunder or the Forward Sellers in their capacity as agents hereunder, the Company (including its agents and representatives, other than the Agents in their capacity as such) will not, directly or indirectly, make, use, prepare, authorize, approve or refer to any free writing prospectus relating to the Shares to be sold by the Agents or the Forward Sellers as principals or agents hereunder.

(v) The Company shall reserve and keep available at all times, free of pre-emptive rights, Shares for the purpose of enabling the Company to satisfy its obligations under this Agreement and each Confirmation.

(w) In connection with entering into any Forward, neither the Company nor any of its affiliates will acquire any long position (either directly or indirectly, including through a derivative transaction) with respect to shares of Common Stock.

(x) If immediately prior to the third anniversary (the "*Renewal Deadline*") of the initial effective date of the Registration Statement, any of the Shares remain unsold by the Agents, the Company will, prior to the Renewal Deadline file, if it has not already done so and is eligible to do so, a new automatic shelf registration statement relating to the Shares, in a form reasonably satisfactory to the Agents. If the Company is not eligible to file an automatic shelf registration statement, the Company will, prior to the Renewal Deadline, if it has not already done so, file a new shelf registration statement relating to the Shares, in a form reasonably satisfactory to the Agents, and will use its commercially reasonable efforts to cause such registration statement to be declared effective within 180 days after the Renewal Deadline. The Company will take all other action necessary or appropriate to permit the public offering and sale of the Shares to continue as contemplated in the expired registration statement. References

herein to the Registration Statement shall include such new automatic shelf registration statement or such new shelf registration statement, as the case may be.

SECTION 8. Payment of Expenses.

(a) *Expenses.* The Company will pay all expenses incident to the performance of its obligations under this Agreement and any Confirmations, 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 Shares, (iii) the issuance and delivery of the Shares as specified herein, (iv) the fees and disbursements of counsel for the Agents, the Forward Sellers and the Forward Purchasers in connection with the qualification of the Shares under the securities laws of any jurisdiction 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 Agents, the Forward Sellers and the Forward Purchasers, in quantities as hereinabove referred to, of copies of the Registration Statement and any amendments thereto, of the Prospectus, of any Issuer Free Writing Prospectus and any amendments or supplements thereto, (vi) any fees and expenses in connection with the listing of the Shares on the NYSE, (vii) any filing fee required by FINRA, (viii) the costs of any depository arrangements for the Shares with DTC or any successor depository, (ix) 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 Shares, 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 Agents, the Forward Sellers and the Forward Purchasers and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, (x) the reasonable fees and disbursements of counsel for the Agents, the Forward Sellers and the Forward Purchasers in connection with the transactions contemplated by this Agreement, (xi) any transaction fees, transfer taxes or similar taxes or fees imposed by any governmental entity or self-regulatory organization in respect of sales of Shares and (xii) all other costs and expenses incident to the Company's performance of its obligations hereunder for which provision is not otherwise made in this Section 8.

(b) *Termination of Agreement.* If this Agreement is terminated by an Agent, a Forward Seller or a Forward Purchaser in accordance with the provisions of Section 9(b) or Section 13(a)(i) hereof, the Company shall reimburse such Agent, Forward Seller or Forward Purchaser for all of its out of pocket expenses, including the reasonable fees and disbursements of counsel for such Agent, Forward Seller or Forward Purchaser, as applicable.

SECTION 9. Conditions Precedent to the Obligations of the Agents, the Forward Sellers and the Forward Purchasers.

(a) The right of the Company to deliver a Placement Notice hereunder, the obligation of an Agent and a Forward Seller, as applicable, to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell Shares in accordance with the terms

of such Placement Notice (as amended by the corresponding Acceptance, if applicable) and the obligation of a Forward Purchaser to use its commercially reasonable efforts to borrow or cause its affiliate to borrow Forward Hedge Shares in connection with a Placement Notice (as amended by the corresponding Acceptance, if applicable) are subject to the continuing accuracy of the representations and warranties of the Company contained in this Agreement or certificates of any officer of the Company delivered pursuant to the provisions hereof, the performance by the Company of its covenants and obligations hereunder, and the satisfaction, on the applicable Settlement Date, of each of the following conditions, except to the extent waived by the applicable Agent, Forward Seller and Forward Purchaser, in its sole discretion:

(1) The Registration Statement shall remain effective and shall be available for (i) the sale of all Shares issued pursuant to all prior Placement Notices (each as amended by a corresponding Acceptance, if applicable) and (ii) the sale of all Shares contemplated to be issued by any Placement Notice (each as amended by a corresponding Acceptance, if applicable). The Company shall have paid the required Commission filing fees relating to the Shares within the time required by Rule 456(b)(1)(i) under the Securities Act without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) under the Securities Act (including, if applicable, by updating the "Calculation of Registration Fee" table in accordance with Rule 456(b)(1)(ii) under the Securities Act either in a post-effective amendment to the Registration Statement or on the cover page of the Prospectus).

(2) None of the following events shall have occurred and be continuing: (i) receipt by the Company or any of its subsidiaries of any request for additional information from the Commission or any other federal or state governmental authority during the period of effectiveness of the Registration Statement, the response to which would require any post-effective amendments or supplements to the Registration Statement or the Prospectus; (ii) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose or pursuant to Section 8A of the Securities Act; (iii) receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of the Common Stock for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; (iv) the occurrence of any event that makes any material statement made in the Registration Statement or the Prospectus, or any Issuer Free Writing Prospectus, or any material document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the Registration Statement, related Prospectus, or any Issuer Free Writing Prospectus, or such documents so that, in the case of the Registration Statement, it will not contain any materially 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, that in the case of the Prospectus and any Issuer Free Writing Prospectus, it will not contain any materially 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.

(3) None of the Agents, the Forward Sellers or the Forward Purchasers shall have advised the Company that the Registration Statement or Prospectus, or any Issuer Free Writing Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact that in such Agent's, Forward Seller's or Forward Purchaser's reasonable opinion is material, or omits to state a fact that in such Agent's, Forward Seller's or Forward Purchaser's opinion is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(4) Except as contemplated in the Prospectus, or disclosed in the Company's reports filed with the Commission, there shall not have been any material adverse change in the condition of the Company, financial or otherwise, and except as reflected in or contemplated by the Prospectus, or disclosed in the Company's reports filed with the Commission, and, since the date of such disclosure, there shall not have been any material transaction entered into by the Company other than transactions contemplated by the Prospectus, or disclosed in the Company's reports filed with the Commission, 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 Shares on the terms and in the manner contemplated by the Prospectus.

(5) The Agents, the Forward Sellers and the Forward Purchasers shall have received the favorable opinions of Company Counsel and Deputy General Counsel, required to be delivered pursuant to Section 7(p) on the date on which such delivery of such opinion is required pursuant to Section 7(p).

(6) The Agents, the Forward Sellers and the Forward Purchasers shall have received the favorable opinions of Sidley Austin LLP, counsel to the Agents, the Forward Sellers and the Forward Purchasers, required to be delivered pursuant to Section 7(r) on the date on which such delivery of such opinion is required pursuant to Section 7(r).

(7) The Agents, the Forward Sellers and the Forward Purchasers shall have received the certificate required to be delivered pursuant to Section 7(o) on the date on which delivery of such certificate is required pursuant to Section 7(o).

(8) The Agents, the Forward Sellers and the Forward Purchasers shall have received the Comfort Letter required to be delivered pursuant Section 7(q) on the date on which such delivery of such opinion is required pursuant to Section 7(q).

(9) The Shares shall either have been (i) approved for listing on the NYSE, subject only to notice of issuance, or (ii) the Company shall have filed an application for listing of the Shares on the NYSE at, or prior to, the issuance of any Placement Notice.

(10) Trading in the Shares shall not have been suspended on the NYSE.

(11) On each date on which the Company is required to deliver a certificate pursuant to Section 7(o), counsel for the Agents, the Forward Sellers and the Forward Purchasers shall have been furnished with such

documents as they may require for the purpose of enabling them to issue the opinion required to be delivered pursuant to Section 7(r), or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, contained in this Agreement.

(12) All filings with the Commission required by Rule 424 under the Securities Act to have been filed prior to the issuance of any Placement Notice hereunder shall have been made within the applicable time period prescribed for such filing by Rule 424 under the Securities Act.

(13) In no event may the Company issue a Placement Notice to sell an Issuance Amount or a Forward Hedge Amount, as the case may be, to the extent that the sum of (i) the Sales Price of the requested Issuance Amount or Forward Hedge Amount, as applicable, plus (ii) the aggregate Sales Price of all Shares issued under all previous Issuances and Forwards effected pursuant to this Agreement would exceed the Maximum Amount.

(b) *Termination of Agreement.* If any condition specified in this Section 9 shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by any Agent, Forward Seller or Forward Purchaser by written notice to the Company, and such termination shall be without liability of any party to any other party except as provided in Section 8 hereof and except that, in the case of any termination of this Agreement, Sections 5, 10, 11, 12 and 15 hereof shall survive such termination and remain in full force and effect.

SECTION 10. Indemnification.

(a) *Indemnification by the Company.* The Company agrees to indemnify and hold harmless each of the Agents, the Forward Sellers and the Forward Purchasers, their respective affiliates, officers and directors, and each person, if any, who controls any of the Agents, the Forward Sellers or the Forward Purchasers (the "Indemnified Parties") within the meaning of Section 15 of the Securities 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 Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus or any electronic roadshow or other written communication that constitutes an offer to buy the Shares provided to investors by, or with the approval of, the Company, 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 Agents, the Forward Purchasers or the Forward Sellers expressly for use in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto);

(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 arising out of or 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 10.

In no case shall the Company be liable under this indemnity agreement with respect to any claim made against any Indemnified Party unless the Company shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof, but failure to so notify the Company shall not relieve it from any liability which it may have otherwise than under this Section 10(a). 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 applicable Indemnified Party or Parties in any suit so brought, which approval shall not be unreasonably withheld. In any such suit, any Indemnified Party shall have the right to employ its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Company and such Indemnified Party 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 Indemnified Party and the Company and such Indemnified Party shall have been advised by such counsel that a conflict of interest between the Company and such Indemnified Party 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 Indemnified Parties, 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 Securities Act, in connection with the sale of the Shares.

(b) (i) Each Agent, Forward Seller and Forward Purchaser, severally and not jointly, 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 Securities Act to the same extent as the indemnity contained in Section 10(a), but only with respect to

statements or omissions made in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto), in reliance upon and in conformity with written information furnished to the Company by the Agents, the Forward Sellers or Forward Purchasers expressly for use in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto). In case any action shall be brought against the Company or any person so indemnified based on the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto) and in respect of which indemnity may be sought against any Agent, Forward Seller or Forward Purchaser, such Agent, Forward Seller or Forward Purchaser 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 Agents, the Forward Sellers and the Forward Purchasers and the affiliates, officers, directors and controlling persons by the provisions of Section 10(a).

(ii) 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 an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

SECTION 11. Contribution. If the indemnification provided for in Section 10 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 relevant Agent, Forward Seller and Forward Purchaser, on the other, from the offering of the Shares. 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 relevant Agent, Forward Seller and Forward Purchaser, 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 relevant Agent, Forward Seller and Forward Purchaser, on the other, shall be deemed to be in the same proportions as (a) in the case of the Company, (x) the total net proceeds from the offering of the Issuance Shares for each Issuance under this Agreement (before deducting expenses) received by the Company, bear to the aggregate Sales Price of the Issuance Shares, or (y) the Actual Sold Forward Amount for each Forward under this Agreement, multiplied by the Forward Hedge Price for such Forward (the "Net Forward Proceeds"), bear to the sum of the Net Forward Proceeds and the Actual Forward Commission (as defined below) (such sum, the "Gross Forward Amount"), (b) in the case of the Agents, the

total commissions received by the Agents, bear to the aggregate Sales Price of the Issuance Shares, (c) in the case of the Forward Sellers, the Actual Sold Forward Amount for each Forward under this Agreement, multiplied by the Forward Hedge Selling Commission for such Forward (the "Actual Forward Commission"), bear to the Gross Forward Amount, and (d) in the case of the Forward Purchasers, the net Spread (as such term is defined in the related Confirmation for each Forward and net of any related stock borrow costs or other costs or expenses actually incurred) for each Confirmation executed in connection with this Agreement, bear to the Gross Forward Amount. 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 Agents, the Forward Sellers and the Forward Purchasers, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Agents, the Forward Sellers and the Forward Purchasers agree that it would not be just and equitable if contributions pursuant to this Section were determined by pro rata allocation (even if the Agents, the Forward Sellers and the Forward Purchasers 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 11. 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 11, (i) no Agent or Forward Seller shall in any event be required to contribute any amount in excess of the amount by which the commissions with respect to the offering of the Issuance Shares or the aggregate Forward Hedge Selling Commissions, as the case may be, received by it under this Agreement exceeds the amount of any damages which such Agent or Forward Seller has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and (ii) the Forward Purchaser shall in no event be required to contribute any amount in excess of the amount by which the net Spread (as such term is defined in the Confirmations and net of any related stock borrow costs or other costs or expenses actually incurred) for all Confirmations entered into pursuant to this Agreement exceeds the amount of any damages such Forward Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omissions or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Agents', the Forward Sellers' and the Forward Purchasers' obligations to contribute are several in proportion to their respective obligations and not joint.

SECTION 12. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement or in certificates of officers or other representatives of the Company or any of its subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Agents, the Forward Sellers, the Forward Purchasers or any their respective affiliates, officers and directors, and each person, if any, who controls any of the Agents, the Forward Sellers or the Forward Purchasers, or by or on behalf of the Company or its directors, each of the Company's officers who signed the Registration Statement, and each

person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, (ii) delivery and acceptance of the Shares and payment therefor, (iii) the settlement of any Confirmations or (iv) any termination of this Agreement or any Confirmations.

SECTION 13. Termination of Agreement.

(a) *Termination; General.* Each Agent, Forward Seller or Forward Purchaser may terminate the right of the Company to effect any Issuances or Forwards under this Agreement, solely with respect to such Agent, Forward Seller or Forward Purchaser, by notice to the Company, as hereinafter specified at any time if there has been (i) a suspension or material limitation in trading in securities generally or of the securities of the Company, 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 13(a) in your reasonable judgment makes it impracticable or inadvisable to market the Shares or to enforce contracts for the sale of the Shares. In such event there shall be no liability on the part of any party to any other party except as otherwise provided in Section 10 hereof and except for the expenses to be borne by the Company as provided in Section 8(a) hereof. Any such termination shall have no effect on the obligations of any other Agent, Forward Seller or Forward Purchaser under this Agreement.

(b) *Termination by the Company.* The Company shall have the right, by giving two (2) days' notice as hereinafter specified, to terminate this Agreement in its sole discretion at any time after the date of this Agreement.

(c) *Termination by the Agents, Forward Sellers or Forward Purchasers.* Each Agent, Forward Seller and Forward Purchaser shall have the right, by giving two (2) days' notice as hereinafter specified, to terminate this Agreement in its sole discretion at any time after the date of this Agreement, solely with respect to such Agent, Forward Seller or Forward Purchaser.

(d) *Automatic Termination.* Unless earlier terminated pursuant to this Section 13, this Agreement shall automatically terminate on the earlier of (i) the date that the aggregate offering price of the Shares sold pursuant to this Agreement, including any separate underwriting or similar agreement covering principal transactions, equals the Maximum Amount, or (ii) September 23, 2019; *provided, however,* that this Agreement will continue in effect for the duration of, and solely with respect to, any Confirmation entered into, but not yet settled, before September 23, 2019.

(e) *Continued Force and Effect.* This Agreement shall remain in full force and effect unless terminated pursuant to Sections 13(a), (b), (c) or (d) above or otherwise by mutual agreement of the parties.

(f) *Effectiveness of Termination.* Any termination of this Agreement shall be effective on the date specified in such notice of termination, subject to Section 13(d); *provided,*

however, that such termination shall not be effective until the close of business on the date of receipt of such notice by the Agents, the Forward Sellers or Forward Purchasers or the Company, as the case may be. If such termination shall occur prior to the Settlement Date for any sale of Shares, such Shares shall settle in accordance with the provisions of this Agreement.

(g) *Liabilities.* If this Agreement is terminated pursuant to this Section 13, such termination shall be without liability of any party to any other party except as provided in Section 8, and except that, in the case of any termination of this Agreement, Section 5, Section 10, Section 11, Section 12, and Section 15 hereof shall survive such termination and remain in full force and effect.

SECTION 14. Notices. Except as otherwise provided in this Agreement, all notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Agents shall be directed to Wells Fargo Securities, LLC, 375 Park Avenue, New York, New York 10152, fax no. (212) 214-5918, Attention of Equity Syndicate Department, Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013, fax no. (646) 291-1469, Attention of General Counsel, and J.P. Morgan Securities LLC, 383 Madison Avenue, 10th Floor, New York, New York 10179, Attention of Special Equities Group, Adam Rosenbluth (email: adam.s.rosenbluth@jpmorgan.com); notices to the Forward Sellers shall be directed to Wells Fargo Securities, LLC, 375 Park Avenue, New York, New York 10152, fax no. (212) 214-5918, Attention of Equity Syndicate Department, Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013, fax no. (646) 291-1469, Attention of General Counsel, and J.P. Morgan Securities LLC, 383 Madison Avenue, 10th Floor, New York, New York 10179, Attention of Special Equities Group, Adam Rosenbluth (email: adam.s.rosenbluth@jpmorgan.com); notices to the Forward Purchasers shall be directed to Wells Fargo Bank, National Association, 375 Park Avenue, New York, New York 10152, fax no. (212) 214-6101, Attention of Structuring Services Group, with a copy to CorpEqDerivSales@wellsfargo.com, Citibank, N.A., 390 Greenwich Street, 3rd Floor, New York, New York 10013, telephone no. (212) 723-5770, (212) 723-7310, (212) 723-3170, Attention of Dustin Sheppard; Eric Natelson; Joseph Stoots, and JPMorgan Chase Bank, National Association, 25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom, fax no. 1-866-886-4506, Attention of EDG Marketing Support, E-mail edg_notices@jpmorgan.com and edg_ny_corporate_sales_support@jpmorgan.com with a copy to Adam Rosenbluth; and notices to the Company shall be directed to it at 550 S. Tryon Street, Charlotte, North Carolina 28202 fax no. (980) 373-3699, Attention of Treasurer.

SECTION 15. Absence of Fiduciary Relationship. The Company acknowledges and agrees that (a) the Sales Price of the Shares to be sold pursuant to this Agreement will not be established by the Agents, the Forward Sellers or the Forward Purchasers, (b) the determination of the discounts and commissions to be paid pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and Agents, the Forward Sellers and the Forward Purchasers, on the other hand, (c) in connection with any sale contemplated hereby and the process leading to any such transaction, each of the Agents, the Forward Sellers and the Forward Purchasers are acting solely as sales agent and/or principal in connection with

the purchase and sale of the Shares and none of the Agents, the Forward Sellers or the Forward Purchasers are the fiduciary of the Company, or its stockholders, creditors, employees or any other party, (d) the Agents, the Forward Sellers and the Forward Purchasers have not assumed and will not assume an advisory or fiduciary responsibility in favor of the Company with respect to any sale contemplated hereby or the process leading thereto (irrespective of whether the Agents, the Forward Sellers or the Forward Purchasers have advised or are currently advising the Company on other matters) and the Agents, the Forward Sellers and the Forward Purchasers do not have any obligation to the Company with respect to any sale contemplated hereby except the obligations expressly set forth in this Agreement, (e) the Agents, the Forward Sellers, the Forward Purchasers and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (f) the Agents, the Forward Sellers and the Forward Purchasers have not provided any legal, accounting, regulatory or tax advice with respect to any sale contemplated hereby and the Company has consulted its own respective legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. Furthermore, the Company agrees that it is solely responsible for making its own judgments in connection with the offering (irrespective of whether the Agents, the Forward Sellers or the Forward Purchasers have advised or are currently advising the Company on related or other matters). The Company agrees that it will not claim that the Agents, the Forward Sellers or the Forward Purchasers have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

SECTION 16. Research Analyst Independence. The Company acknowledges that each Agent's, Forward Seller's and Forward Purchaser's research analysts and research departments are required to be independent from its investment banking division and are subject to certain regulations and internal policies, and that each Agent's, Forward Seller's and Forward Purchaser's research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering that differ from the views of their respective investment banking divisions. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against any Agent, Forward Seller or Forward Purchaser with respect to any conflict of interest that may arise from the fact that the views expressed by its research analysts and research department may be different from or inconsistent with the views or advice communicated to the Company by any of the Agent's, Forward Seller's or Forward Purchaser's investment banking divisions. The Company acknowledges that each of the Agents, the Forward Sellers and the Forward Purchasers is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the Company and any other companies that may be the subject of the transactions contemplated by this Agreement.

SECTION 17. Parties. This Agreement shall inure to the benefit of and be binding upon each Agent, Forward Seller and Forward Purchaser, 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 Agents, the Forward Sellers and Forward Purchasers, the Company and their respective successors and the controlling persons and

officers, directors and affiliates referred to in Sections 10 and 11 and their 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 are intended to be for the sole and exclusive benefit of each Agent, Forward Seller and Forward Purchaser, the Company and their respective successors, and said controlling persons and officers, directors and affiliates and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Shares through or from any Agent or Forward Seller shall be deemed to be a successor by reason merely of such purchase.

SECTION 18. Adjustments for Stock Splits. The parties acknowledge and agree that all stock-related numbers contained in this Agreement shall be adjusted to take into account any stock split, stock dividend or similar event effected with respect to the Shares.

SECTION 19. Compliance with USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Agents, Forward Sellers and Forward Purchasers are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Agents, Forward Sellers and Forward Purchasers to properly identify their respective clients.

SECTION 20. Governing Law and Time. THIS AGREEMENT, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED THERETO, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE INSTITUTED IN (I) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE CITY AND COUNTY OF NEW YORK, BOROUGH OF MANHATTAN OR (II) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE CITY AND COUNTY OF NEW YORK, BOROUGH OF MANHATTAN, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION (EXCEPT FOR PROCEEDINGS INSTITUTED IN REGARD TO THE ENFORCEMENT OF A JUDGMENT OF ANY SUCH COURT, AS TO WHICH SUCH JURISDICTION IS NON-EXCLUSIVE) OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING.

SECTION 21. Effect of Headings. The Section and Exhibit headings herein are for convenience only and shall not affect the construction hereof.

SECTION 22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed Agreement by one party to the other may be made by facsimile or e-mail transmission.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Agents, the Forward Sellers and Forward Purchasers and the Company in accordance with its terms.

Very truly yours,

DUKE ENERGY CORPORATION

By: /s/ John L. Sullivan, III

Name: John L. Sullivan, III
Title: Assistant Treasurer

CONFIRMED AND ACCEPTED, as of the date first above written:

WELLS FARGO SECURITIES, LLC,
as Agent and Forward Seller

By /s/ Craig McCracken
Authorized Signatory

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Forward Purchaser

By /s/ Craig McCracken
Authorized Signatory

CITIGROUP GLOBAL MARKETS INC.,
as Agent and Forward Seller

By /s/ Todd Guenther
Authorized Signatory

CITIBANK, N.A.,
as Forward Purchaser

By /s/ Herman Hirsch
Authorized Signatory

J.P. MORGAN SECURITIES LLC,
as Agent and Forward Seller

By /s/ Adam Rosenbluth
Authorized Signatory

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Forward Purchaser

By /s/ Adam Rosenbluth
Authorized Signatory

EXHIBIT A

FORM OF PLACEMENT NOTICE

From: []
Cc: []
To: []

Subject: Equity Distribution—Placement Notice

Ladies and Gentlemen:

Reference is made to the Equity Distribution Agreement among Duke Energy Corporation (the “Company”), [•] (the “Forward Purchaser”) and [•] (in its capacity as agent for the Company in connection with the offering and sale of any Issuance Shares thereunder, the “Agent,” and in its capacity as agent for the Forward Purchaser in connection with the offering and sale of any Forward Hedge Shares thereunder, the “Forward Seller”), dated as of February 20, 2018 (the “Equity Distribution Agreement”). Capitalized terms used in this Placement Notice without definition shall have the respective definitions ascribed to them in the Equity Distribution Agreement. This Placement Notice relates to [an “Issuance”] [a “Forward”]. The Company confirms that all conditions to the delivery of this Placement Notice are satisfied as of the date hereof.

The Company represents and warrants that each representation, warranty, covenant and other agreement of the Company contained in the Equity Distribution Agreement [and the Confirmation for this Forward (which accompanies this Placement Notice)]¹ is true and correct on the date hereof, and that the Prospectus, including the documents incorporated by reference therein, and any applicable Issuer Free Writing Prospectus, as of the date hereof, do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Number of Days in [Issuance] [Forward Hedge] Selling Period:	\$	[•]
First Date of [Issuance] [Forward Hedge] Selling Period:		[•]
Maximum Number of Shares to be Sold:		[•]
[Issuance] [Forward Hedge] Amount:	\$	[•]
Minimum Price (Adjustable by Company during the [Issuance] [Forward Hedge] Selling Period, and in no event less than \$1.00 per share):	\$	per share
[[Forward Hedge Selling Commission Rate]:	%	[•]

<u>Forward Price Reduction Date</u>	<u>Forward Price Reduction Amounts</u>
	\$
	\$
	\$
	\$

¹ Insert for a Placement Notice relating to a Forward.

Spread:		[•] basis points
Initial Stock Loan Rate:		[•] basis points
Maximum Stock Loan Rate:		[•] basis points
Regular Dividend Amounts:		
For any calendar quarter ending on or prior to [December 31, 20[]]:	\$	[•]
For any calendar quarter ending after [December 31, 20[]]:	\$	[•]
Maturity Date: []]²
Minimum Price (Adjustable by Company during the [Issuance] [Forward Hedge] Selling Period, and in no event less than \$1.00 per share):	\$	per share

² Insert for a Placement Notice that relates to a "Forward." Regular Dividend Amounts shall not exceed the Forward Price Reduction Amount for the Forward Price Reduction Date occurring in the relevant quarter (or, if none, shall not exceed zero).

EXHIBIT B

AUTHORIZED INDIVIDUALS FOR PLACEMENT NOTICES AND ACCEPTANCES

Duke Energy Corporation

Stephen G. De May
Senior Vice President, Tax & Treasurer

John L. Sullivan, III
Director, Corporate Finance & Assistant Treasurer

Wells Fargo Securities, LLC

1. Jennifer Lynch
2. William O'Connell
3. Josie Callanan
4. Elizabeth Alvarez
5. Craig Stampone
6. Thomas DeLoache
7. Shannon Chiao
8. Tom Yates
9. Jan Debeuckelaer
10. Aaron Smith
11. Kevin Fuller
12. Vamsi Manda

Wells Fargo Bank, National Association

1. Jennifer Lynch
2. William O'Connell
3. Josie Callanan
4. Elizabeth Alvarez
5. Craig Stampone
6. Thomas DeLoache
7. Shannon Chiao
8. Tom Yates
9. Jan Debeuckelaer
10. Aaron Smith
11. Kevin Fuller
12. Vamsi Manda

Citigroup Global Markets Inc.

Robert G. Leonard
(212) 723-7368

Citibank, N.A.

Dustin Sheppard
Eric Natelson
Joseph Stoots

J.P. Morgan Securities LLC

Adam Rosenbluth
Ara Movsesian
Jimmy Salih

JPMorgan Chase Bank, National Association

Adam Rosenbluth
Ara Movsesian
Jimmy Salih

EXHIBIT C

COMPENSATION

The Agents shall be paid compensation not exceeding 2.0% of the Sales Price of Issuance Shares sold pursuant to the terms of this Agreement.

The Forward Sellers shall be paid compensation not exceeding 2.0% of the Sales Price of Forward Hedge Shares sold pursuant to the terms of this Agreement.

EXHIBIT D-1

FORM OF OPINION OF COMPANY COUNSEL TO BE DELIVERED ONLY ON THE DATE OF THE AGREEMENT

- (i) The Registration Statement, when filed, and the Prospectus, as of its date, each appeared on their face to be appropriately responsive in all material respects relevant to the offering of the Shares to the requirements of the Securities Act (except, in each case, that we express no view with respect to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom or compliance with XBRL interactive data requirements); and
- (ii) The Shares, if any, to be issued and sold by the Company have been duly authorized, and, upon payment and delivery in accordance with this Agreement, such Shares will be validly issued, fully paid and nonassessable; there are no preemptive rights under federal or New York law or under the General Corporation Law of the State of Delaware to subscribe for or to purchase any Shares. The shares of Common Stock issuable pursuant to any Confirmations have been duly authorized for such issuance and, upon issuance pursuant to the terms of the relevant Confirmation), will be validly issued, fully paid and nonassessable. There are no preemptive or other similar rights to subscribe for or to purchase shares of Common Stock pursuant to the Certificate of Incorporation or By-Laws of the Company or any agreement or other instrument filed or incorporated by reference therein, or as an exhibit to, the Registration Statement.

EXHIBIT D-2

**FORM OF OPINION OF COMPANY COUNSEL TO BE
DELIVERED ON EACH REPRESENTATION DATE**

- (i) The Registration Statement, when filed, and the Prospectus, as of its date, each appeared on their face to be appropriately responsive in all material respects relevant to the offering of the Shares to the requirements of the Securities Act (except that, in each case, we express no view with respect to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom or compliance with XBRL interactive data requirements);
- (ii) The Agreement has been, and each Confirmation (if any) will be, duly authorized, executed and delivered by the Company.
- (iii) The Agreement is, and each Confirmation (if any) will be, valid and binding agreements of the Company, enforceable against the Company in accordance with their terms.
- (iv) The execution and delivery by the Company of the Agreement and any Confirmation and the consummation by the Company of the transactions contemplated thereby, including the issuance and sale of the Shares or other shares of Common Stock, if any, to be issued and sold by the Company thereunder, will not (i) conflict with the Company's certificate of incorporation or Bylaws, (ii) constitute a violation of, or a breach of or default under, the terms of any of the contracts set forth on Schedule [•] hereto or (iii) violate or conflict with, or result in any contravention of, any Applicable Law. "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 our having made any special investigation as to the applicability of any specific law, rule or regulation.
- (v) 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 the Agreement or any Confirmation by the Company or the consummation by the Company of the transactions contemplated thereby, except for (A) registration of the Shares under the Securities Act and (B) 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 Shares by the Agents or Forward Sellers or the borrowing of the shares of Common Stock by the Forward Purchasers. “**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 Company 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 Company) in the transactions contemplated by this Agreement or any Confirmation 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 Company under Applicable Law but excluding the North Carolina Utilities Commission, the New York Public Service Commission and the Delaware Public Service Commission.

- (vi) The Company has been duly incorporated and is validly existing in good standing under the laws of the State of Delaware, and has the corporate power and corporate authority to execute and deliver the Agreement and any Confirmation and to consummate the transactions contemplated thereby.
- (vii) The Shares, if any, to be issued and sold by the Company have been duly authorized, and, upon payment and delivery in accordance with this Agreement, such Shares will be validly issued, fully paid and nonassessable; there are no preemptive rights under federal or New York law or under the General Corporation Law of the State of Delaware or pursuant to the Certificate of Incorporation or By-Laws of the Company or any agreement or other instrument filed or incorporated by reference therein, or as an exhibit to, the Registration Statement, to subscribe for or to purchase any shares of Common Stock. The shares of Common Stock issuable pursuant to each Confirmation (if any) have been duly authorized for such issuance and, upon issuance pursuant to the terms of such Confirmation, will be validly issued, fully paid and nonassessable.
- (viii) The Company is not and, solely after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus, will not be an “investment company,” as such term is defined in the Investment Company Act of 1940, as amended.
- (ix) The statements set forth in the Prospectus under the caption “Plan of Distribution (Conflicts of Interest),” insofar as such statements purport to summarize certain provisions of the Agreement, fairly summarize such provisions in all material respects.

- (x) The statements set forth (i) under the caption “Description of Capital Stock” in the Base Prospectus, insofar as such statements purport to summarize the terms of the Shares, fairly summarize such terms in all material respects.

The Agents, the Forward Sellers and the Forward Purchasers shall also receive a statement from Hunton & Williams LLP, counsel to the Company, on each Representation Date, to the effect that:

No facts have come to our attention that have caused us to believe that (i) the documents filed by the Company under the Exchange Act that are incorporated by reference in the Prospectus, when filed, were not, on their face, appropriately responsive in all material respects to the requirements of the Exchange Act (except that we express no view with respect to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom or compliance with XBRL interactive data requirements), (ii) the Registration Statement, when filed, and the Prospectus, as of its date, appeared on their face to be appropriately responsive in all material respects to the requirements of the Securities Act (except that, in each case, we express no view with respect to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom or compliance with XBRL interactive data requirements) and (iii) no facts have come to our attention that have caused us to believe that the Registration Statement, as of its most recent effective date, 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 each Applicable Time, 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, we do 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).

In addition, such statement shall confirm that:

The Prospectus has been filed with the Commission within the time period required by Rule 424 under the Securities Act and any required filing of an Issuer Free Writing Prospectus pursuant to Rule 433 under the Securities Act has been filed with the Commission within the time period required by Rule 433(d) under the Securities Act. Assuming the accuracy of the representations and warranties of the Company set forth in Section 5 of the Agreement, the Registration Statement became effective upon filing with the Commission pursuant to Rule 462 under the Securities Act, and that based solely on our review of the Commission’s website, no stop order suspending the effectiveness of the Registration Statement has been issued and, to our knowledge, no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

Hunton & Williams LLP may state that they have relied as to certain factual matters on information obtained from public officials, officers and representatives of the Company and that the signatures on all documents examined by them are genuine, assumptions of which such counsel has not independently verified.

EXHIBIT D-3

FORM OF OPINION OF DEPUTY GENERAL COUNSEL TO BE DELIVERED ON EACH REPRESENTATION DATE

(a) Each of Duke Energy Ohio, Inc. and 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 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 Prospectus;

(b) Each of the Company 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 Company and its subsidiaries taken as a whole;

(c) The Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the Securities Act, and, to the best of my 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 Securities Act;

(d) The descriptions in the Registration Statement and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and I do not know of any litigation or any legal or governmental proceeding instituted or threatened against the Company or any of its Principal Subsidiaries or any of their respective properties that would be required to be disclosed in the Registration Statement or the Prospectus and is not so disclosed;

(e) The Agreement has been, and each Confirmation (if any) will be, duly authorized, executed and delivered by the Company;

(f) Each Confirmation (if any) will be, valid and binding agreements of the Company, enforceable against the Company in accordance with its terms;

(g) The execution, delivery and performance by the Company of the Agreement and the consummation by the Company of the transactions contemplated thereby, including the issuance and sale of Shares to be issued and sold by the Company

under the Agreement and any Confirmations, will not violate or contravene any of the provisions of the Certificate of Incorporation or By-Laws or any statute or any order, rule or regulation of which I am aware, of any court or governmental agency or body having jurisdiction over the Company 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 me to which the Company 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 Company's ability to perform its obligations under the Agreement or any Confirmations;

(h) No consent, approval, authorization, order, registration or qualification is required to authorize, or for the Company to consummate the transactions contemplated by the Agreement or any Confirmations, 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 Shares by the Agents, the Forward Sellers and the Forward Purchasers and except as required in (i) Condition 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 and (ii) Condition 7.6(b) of the orders of the Public Service Commission of South Carolina dated July 11, 2012 and November 2, 2016, in Docket No. 2011-158-E, which conditions have been complied with; and

(i) The Shares, if any, to be issued and sold by the Company under the Agreement have been duly authorized, and, upon payment and delivery in accordance with the Agreement, will be validly issued, fully paid and nonassessable. The shares of Common Stock issuable pursuant to any Confirmations have been duly authorized for such issuance and, upon issuance pursuant to the terms of the relevant Confirmation), will be validly issued, fully paid and nonassessable. There are no preemptive or other similar rights to subscribe for or to purchase shares of Common Stock pursuant to the Certificate of Incorporation or By-Laws of the Company or any agreement or other instrument filed or incorporated by reference therein, or as an exhibit to, the Registration Statement.

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 and the Prospectus, when filed, was not, on its face, appropriately responsive, in all material respects, to the requirements of the Exchange Act. 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 Agents pursuant to Rule 430B(f)(2) of the Securities Act, 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 or (ii) that the Prospectus or any amendment or supplement thereto, as of their respective dates and at each Applicable Time and Settlement 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 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, including XBRL interactive data or (ii) 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 Company'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 Company and other sources believed by him to be responsible.

EXHIBIT E

OFFICER'S CERTIFICATE

The undersigned, the duly qualified and elected [•], of Duke Energy Corporation (the "Company"), a Delaware corporation, does hereby certify in such capacity and on behalf of the Company, pursuant to Section 7(o) of the Equity Distribution Agreement dated February 20, 2018 (the "Agreement") between the Company and Wells Fargo Bank, National Association, Citibank, N.A. and JPMorgan Chase Bank, National Association (or their affiliates) (each in their capacity as purchaser under any Confirmation, a "Forward Purchaser" and together, the "Forward Purchasers"), and Wells Fargo Securities, LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC (each in its capacity as agent for the Company and/or principal in connection with the offering and sale of any Issuance Shares, an "Agent" and together, the "Agents"), and each in its capacity as agent for each Forward Purchaser in connection with the offering and sale of any Forward Hedge Shares, the "Forward Seller" and together, the "Forward Sellers"), that to the knowledge of the undersigned:

(i) The representations and warranties of the Company in Section 5 of the Agreement (A) to the extent such representations and warranties are subject to qualifications and exceptions contained therein relating to materiality, are true and correct on and as of the date hereof with the same force and effect as if expressly made on and as of the date hereof, except for those representations and warranties that speak solely as of a specific date and which were true and correct as of such date, and (B) to the extent such representations and warranties are not subject to any qualifications or exceptions, are true and correct in all material respects as of the date hereof as if made on and as of the date hereof with the same force and effect as if expressly made on and as of the date hereof except for those representations and warranties that speak solely as of a specific date and which were true and correct as of such date; and

(ii) The Company has complied in all material respects with all agreements and satisfied all conditions on their part to be performed or satisfied pursuant to the Agreement at or prior to the date hereof (other than those conditions waived by the Agents, the Forward Sellers or the Forward Purchasers, as applicable).

EXHIBIT F

ISSUER FREE WRITING PROSPECTUSES

None

F-1

EXHIBIT G

FORM OF FORWARD CONFIRMATION

G-2

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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 20, 2018

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 February 20, 2018, Duke Energy Corporation will issue and post a news release to its website (www.Duke-Energy.com/investors) announcing its financial results for the fourth quarter ended December 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 to be issued by Duke Energy Corporation on February 20, 2018

SIGNATURE

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

DUKE ENERGY CORPORATION

/s/ WILLIAM E. CURRENS JR.

William E. Currens Jr.

Senior Vice President, Chief Accounting Officer and Controller

Dated: February 20, 2018



News Release

Media Contact: Catherine Butler
24-Hour: 800.559.3853

Analysts: Mike Callahan
Office: 704.382.0459

Feb. 20, 2018

Duke Energy reports fourth quarter and full-year 2017 financial results

- **GAAP reported diluted earnings per share (EPS) were \$4.36 in 2017 compared to \$3.11 in 2016; adjusted diluted EPS was \$4.57 for 2017 compared to \$4.69 for 2016**
- **Company achieves financial results near the high end of narrowed 2017 adjusted diluted guidance range**
- **2018 adjusted diluted EPS guidance range set at \$4.55 to \$4.85, including estimated impacts of the Tax Act**
- **Company reaffirms and extends to 2022 long-term earnings growth expectation of 4 to 6 percent off original 2017 midpoint of \$4.60**

CHARLOTTE, N.C. - Duke Energy (NYSE: DUK) today announced 2017 full-year reported diluted EPS, prepared in accordance with Generally Accepted Accounting Principles (GAAP) of \$4.36, compared to \$3.11 for full-year 2016. Duke Energy's full-year 2017 adjusted diluted EPS was \$4.57, compared to \$4.69 for full-year 2016.

Adjusted diluted EPS excludes the impact of certain items that are included in GAAP reported diluted EPS. The difference between 2017 GAAP reported diluted EPS and adjusted diluted EPS was largely due to costs to achieve the Piedmont merger, charges related to regulatory settlements and Commercial Renewables impairments; partially offset by the estimated impacts of the Tax Cuts and Jobs Act (the Tax Act) enacted in December 2017.

Full-year 2017 adjusted results were driven by unfavorable weather and the absence of International Energy, which was sold in December 2016. Partially offsetting these drivers were growth in the electric and gas businesses, including the addition of a full year's earnings contribution from Piedmont Natural Gas, and ongoing cost management efforts.

"This was an exceptional year for Duke Energy as we executed on our strategy and delivered on our commitments in 2017," said Lynn Good, Duke Energy chairman, president and CEO. "By focusing on cost management and operational excellence, we achieved strong financial results, ending the year near the high end of our narrowed guidance range.

"Looking forward, we have the right long-term strategy in place, supported by a solid capital growth plan. Our vision is clear – we are investing in infrastructure our customers value and delivering sustainable growth for our investors."

Duke Energy's fourth quarter 2017 GAAP reported EPS was \$1.00, compared to a loss per share of \$0.33 for fourth quarter 2016. The loss per share in 2016 was primarily driven by a loss on the sale of International Energy. Fourth quarter 2017 adjusted diluted EPS was \$0.94 compared to \$0.81 for fourth quarter 2016. Higher adjusted results were driven by disciplined cost management efforts, including higher planned spending in fourth quarter 2016, and favorable weather; partially offset by the absence of International Energy.

The company has set its 2018 adjusted diluted EPS guidance range of \$4.55 to \$4.85, and reaffirmed and extended its long-term adjusted diluted EPS growth rate of 4 to 6 percent through 2022. The growth rate continues to be anchored to the midpoint of the original 2017 adjusted diluted guidance range, or \$4.60 per share, and is supported by the company's robust growth capital plan.

Business segment results

In addition to the following summary of fourth quarter 2017 business segment performance, comprehensive tables with detailed EPS drivers for the quarter and full year 2017, compared to prior year, are provided in the tables at the end of this news release.

The discussion below of fourth quarter results includes both GAAP segment income and adjusted segment income, which is a non-GAAP financial measure. The tables at the end of this news release present a full reconciliation of GAAP reported results to adjusted results.

Electric Utilities and Infrastructure

On a reported basis, Electric Utilities and Infrastructure recognized fourth quarter 2017 segment income of \$826 million, compared to \$483 million in the fourth quarter of 2016. In addition to the drivers outlined below, fourth quarter 2017 results were impacted by a \$231 million benefit related to the Tax Act and a \$14 million after-tax charge related to regulatory settlements. These amounts were treated as special items and excluded from adjusted earnings.

On an adjusted basis, Electric Utilities and Infrastructure recognized fourth quarter 2017 adjusted segment income of \$609 million, compared to \$483 million in the fourth quarter of 2016, an increase of \$0.18 per share.

Higher quarterly results at Electric Utilities and Infrastructure were primarily due to favorable weather (+\$0.08 per share) and lower operation and maintenance expense (+\$0.11 per share), driven by ongoing cost management and higher planned spending in 2016.

Gas Utilities and Infrastructure

On a reported basis, Gas Utilities and Infrastructure recognized fourth quarter segment income of \$140 million, compared to \$89 million in the fourth quarter of 2016. In addition to the drivers outlined below, fourth quarter 2017 results were impacted by a \$26 million benefit related to the Tax Act, which was treated as a special item and excluded from adjusted earnings.

On an adjusted basis, Gas Utilities and Infrastructure recognized fourth quarter adjusted segment income of \$114 million, compared to \$89 million in the fourth quarter of 2016, an increase of \$0.04 per share.

Higher quarterly results at Gas Utilities and Infrastructure were driven by customer growth and increased integrity management investments at Piedmont (+\$0.02 per share), as well as higher earnings from increased investment in the Atlantic Coast Pipeline (+\$0.01 per share).

Commercial Renewables

On a reported basis, Commercial Renewables recognized fourth quarter 2017 segment income of \$439 million, compared to \$10 million in the fourth quarter of 2016. In addition to the drivers outlined below, fourth quarter 2017 results were impacted by a \$442 million benefit related to the Tax Act and an \$18 million after-tax impairment charge related to certain renewables investments. These amounts were treated as special items and excluded from adjusted earnings.

On an adjusted basis, Commercial Renewables recognized fourth quarter 2017 segment income of \$15 million, compared to \$10 million in the fourth quarter of 2016, an increase of \$0.01 per share. Higher quarterly results at Commercial Renewables were primarily due to a new wind project brought on-line in late 2016 and improved wind resources.

Other

Other primarily includes interest expense on holding company debt and other unallocated corporate costs. It also includes results from Duke Energy's captive insurance company and the equity method investment in NMC.

On a reported basis, Other recognized fourth quarter 2017 net expense of \$700 million, compared to net expense of \$209 million in the fourth quarter of 2016. In addition to the drivers outlined below, fourth quarter 2017 results were impacted by a \$597 million charge related to the Tax Act and lower after-tax costs to achieve the Piedmont merger. These charges were treated as special items and excluded from adjusted earnings.

On an adjusted basis, Other recognized fourth quarter 2017 adjusted net expense of \$82 million, compared to adjusted net expense of \$57 million in the fourth quarter of 2016, a difference of \$0.04 per share. Lower quarterly results at Other were primarily due to higher income tax expense (-\$0.05 per share).

Duke Energy's consolidated reported effective tax rate for the fourth quarter of 2017 was 18.6%, compared to 26.6% in the fourth quarter of 2016, primarily due to the estimated impacts of the Tax Act in 2017. The consolidated adjusted effective tax rate for fourth quarter 2017 was 31.5%, compared to 30.4% in 2016. Adjusted effective tax rate is a non-GAAP financial measure. The tables at the end of this news release present a reconciliation of the GAAP reported effective tax rate to the adjusted effective tax rate.

Discontinued Operations

For the fourth quarter of 2016, Duke Energy's GAAP reported Loss from Discontinued Operations, net of tax included a loss on the sale of the International Disposal Group and other

transaction-related costs, partially offset by the operating results of the International Disposal Group prior to the sale of \$40 million. The operating results of \$40 million, or \$0.06 per share, were included in Duke Energy's adjusted earnings for the fourth quarter of 2016.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today. In addition to discussing fourth quarter and year-end 2017 financial results, the company will provide its 2018 adjusted diluted earnings per share guidance range and other business and financial updates.

The conference call will be hosted by Lynn Good, chairman, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors' section (www.duke-energy.com/investors) of Duke Energy's website or by dialing 888-428-9473 in the United States or 719-325-4869 outside the United States. The confirmation code is 5459491. 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, March 2, 2018, by calling 888-203-1112 in the United States or 719-457-0820 outside the United States and using the code 5459491. An audio replay and transcript will also be available by accessing the investors' section of the company's website.

Special Items and Non-GAAP Reconciliation

The following tables present a reconciliation of GAAP reported to adjusted diluted EPS for fourth quarter and full-year 2017 and 2016 financial results:

(In millions, except per-share amounts)	After-Tax Amount	4Q 2017 EPS	4Q 2016 EPS
Diluted EPS, as reported		\$ 1.00	\$ (0.33)
Adjustments to reported EPS:			
Fourth Quarter 2017			
Costs to achieve Piedmont merger	\$ 21	0.03	
Regulatory settlements	14	0.02	
Commercial Renewables impairments	18	0.03	
Impacts of the Tax Act ^(a)	(102)	(0.14)	
Discontinued operations	2	—	
Fourth Quarter 2016			
Costs to achieve mergers	134		0.19
Cost saving initiatives	18		0.03
Discontinued operations ^(b)	640		0.92
Total adjustments		\$ (0.06)	\$ 1.14
Diluted EPS, adjusted		\$ 0.94	\$ 0.81

(a) The Tax Act reduced the corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. As the tax change was enacted in 2017, Duke Energy is required to remeasure its deferred tax assets and liabilities at the lower rate. For Duke Energy's regulated operations, where the reduction is expected to be returned to customers in future rates, the remeasurement has been deferred as a regulatory liability.

(b) Includes a loss on sale of the International Disposal Group. Represents the GAAP reported Loss from Discontinued Operations, less the International Disposal Group operating results, which are included in adjusted earnings.

(In millions, except per-share amounts)	After-Tax Amount	Full-Year 2017 EPS	Full- Year 2016 EPS
Diluted EPS, as reported		\$ 4.36	\$ 3.11
Adjustments to reported EPS:			
Full-Year 2017			
Costs to achieve Piedmont merger	\$ 64	0.09	
Regulatory settlements	98	0.14	
Commercial Renewables impairments	74	0.11	
Impacts of the Tax Act ^(a)	(102)	(0.14)	
Discontinued operations	6	0.01	
Full-Year 2016			
Costs to achieve mergers	329		0.48
Cost saving initiatives	57		0.08
Commercial Renewables impairment	45		0.07
Discontinued operations ^(b)	661		0.95
Total adjustments		\$ 0.21	\$ 1.58
Diluted EPS, adjusted		\$ 4.57	\$ 4.69

- (a) The Tax Act reduced the corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. As the tax change was enacted in 2017, Duke Energy is required to remeasure its deferred tax assets and liabilities at the lower rate. For Duke Energy's regulated operations, where the reduction is expected to be returned to customers in future rates, the remeasurement has been deferred as a regulatory liability.
- (b) Includes a loss on sale of the International Disposal Group. Represents the GAAP reported Loss from Discontinued Operations, less the International Disposal Group operating results, which are included in adjusted earnings.

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 include certain charges and credits which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted earnings and adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses these non-GAAP financial measures for planning and forecasting, and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are Net Income Attributable to Duke Energy Corporation (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.

- Regulatory settlements represent charges related to the Levy nuclear project in Florida and the Mayo Zero Liquid Discharge and Sutton combustion turbine projects in North Carolina.
- Commercial Renewables impairments represent other-than-temporary, asset and goodwill impairments.
- Impacts of the Tax Act represent estimated amounts recognized related to the Tax Cuts and Jobs Act.

Adjusted earnings also include operating results of the International Disposal Group, which has been classified as discontinued operations. Management believes inclusion of the operating results of the International 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 7.6 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 1.5 million

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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 of nuclear facilities, including

environmental, health, safety, regulatory and financial risks, including the financial stability of third party service providers; the timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; the results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions; the credit ratings may be different from what the company and its subsidiaries expect; declines in the market prices of equity and fixed income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans, and nuclear decommissioning trust funds; construction and development risks associated with the completion of Duke Energy and its subsidiaries' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner or at all; changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; the ability to control operation and maintenance costs; the level of creditworthiness of counterparties to transactions; employee workforce factors, including the potential inability to attract and retain key personnel; the ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); the performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; substantial revision to the U.S. tax code, such as changes to the corporate tax rate or a material change in the deductibility of interest; the impact of potential goodwill impairments; the ability to successfully complete future merger, acquisition or divestiture plans; and the ability to implement our business strategy.

Additional risks and uncertainties are identified and discussed in Duke Energy's and its subsidiaries' reports filed with the SEC and available at the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made; Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

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

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

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

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

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

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

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

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

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

- A** - Net of \$39 million tax benefit. \$102 million recorded within Operating Expenses and \$1 million recorded within Interest Expense on the Consolidated Statements of Operations.
- B** - Net of \$60 million tax benefit. \$154 recorded within Impairment Charges and \$4 million recorded within Other Income and Expenses on the Consolidated Statements of Operations.
- C** - Net of \$28 million tax benefit. \$92 million recorded within Impairment Charges and \$10 million recorded within Other Income and Expenses on the Consolidated Statements of Operations.
- D** - \$118 million benefit recorded within Income Tax Expense from Continuing Operations, offset by \$16 million expense recorded within Gas Utilities and Infrastructure's Equity in Earnings of Unconsolidated Affiliates on the Consolidated Statements of Operations.
- E** - Recorded in (Loss) Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.

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

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

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

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

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

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

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

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

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

	Reported Earnings	Special Items				Discontinued Operations	Total Adjustments	Adjusted Earnings
		Costs to Achieve Mergers	Cost Savings Initiatives	Commercial Renewables Impairment	International Energy Operations			
SEGMENT INCOME								
Electric Utilities and Infrastructure	\$ 3,040	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,040
Gas Utilities and Infrastructure	152	—	—	—	—	—	—	152
Commercial Renewables	23	—	—	45 C	—	—	45	68
Total Reportable Segment Income	3,215	—	—	45	—	—	45	3,260
International Energy	—	—	—	—	243 D	—	243	243
Other	(645)	329 A	57 B	—	—	—	386	(259)
Intercompany Eliminations	1	—	—	—	—	(1)	(1)	—
Discontinued Operations	(419)	—	—	—	(243) D	662 E	419	—
Net Income Attributable to Duke Energy Corporation	\$ 2,152	\$ 329	\$ 57	\$ 45	\$ —	\$ 661	\$ 1,092	\$ 3,244
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 3.11	\$ 0.48	\$ 0.08	\$ 0.07	\$ —	\$ 0.95	\$ 1.58	\$ 4.69

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

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

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

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

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

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

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

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

*Adjusted effective tax rate is a non-GAAP financial measure as the rate is calculated using pretax earnings and income tax expense, both adjusted for the impact of special items. The most directly comparable GAAP measure for adjusted effective tax rate is reported effective tax rate, which includes the impact of special items.

December 2017
QUARTERLY HIGHLIGHTS
(Unaudited)

<i>(In millions, except per-share amounts and where noted)</i>	Three Months Ended		Years Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Earnings Per Share - Basic and Diluted				
Income from continuing operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ 1.00	\$ 0.53	\$ 4.37	\$ 3.71
Diluted	\$ 1.00	\$ 0.53	\$ 4.37	\$ 3.71
Loss from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic	\$ —	\$ (0.86)	\$ (0.01)	\$ (0.60)
Diluted	\$ —	\$ (0.86)	\$ (0.01)	\$ (0.60)
Net income (loss) attributable to Duke Energy Corporation common stockholders				
Basic	\$ 1.00	\$ (0.33)	\$ 4.36	\$ 3.11
Diluted	\$ 1.00	\$ (0.33)	\$ 4.36	\$ 3.11
Weighted average shares outstanding				
Basic	700	699	700	691
Diluted	700	699	700	691
INCOME (LOSS) BY BUSINESS SEGMENT				
Electric Utilities and Infrastructure ^{(a)(b)}	\$ 826	\$ 483	\$ 3,210	\$ 3,040
Gas Utilities and Infrastructure ^{(c)(d)}	140	89	319	152
Commercial Renewables ^{(e)(f)}	439	10	441	23
Total Reportable Segment Income	1,405	582	3,970	3,215
Other ^{(g)(h)(i)(j)}	(700)	(209)	(905)	(645)
Intercompany Eliminations	—	1	—	1
Loss from Discontinued Operations ^(k)	(2)	(601)	(6)	(419)
Net income (loss) Attributable to Duke Energy Corporation	\$ 703	\$ (227)	\$ 3,059	\$ 2,152
CAPITALIZATION				
Total Common Equity (%)			43%	45%
Total Debt (%)			57%	55%
Total Debt			\$ 54,442	\$ 50,382
Book Value Per Share			\$ 59.62	\$ 58.63
Actual Shares Outstanding			700	700
CAPITAL AND INVESTMENT EXPENDITURES				
Electric Utilities and Infrastructure	\$ 1,898	\$ 2,070	\$ 7,024	\$ 6,649
Gas Utilities and Infrastructure ^(l)	—	5,242	907	5,519
Commercial Renewables	16	428	92	857
Other ^(m)	43	124	175	190
Total Capital and Investment Expenditures	\$ 1,957	\$ 7,864	\$ 8,198	\$ 13,215

- (a) Includes charges related to regulatory settlements in Florida and North Carolina of \$14 million (net of tax of \$9 million) for the three months ended December 31, 2017, and \$98 million (net of tax of \$60 million) for the year ended December 31, 2017.
- (b) Includes benefit of \$231 million from impacts of the Tax Act for the three months and year ended December 31, 2017.
- (c) Includes \$95 million of Piedmont's earnings for the year ended December 31, 2017, and \$67 million for the three months and year ended December 31, 2016.
- (d) Includes benefit of \$26 million from impacts of the Tax Act for the three months and year ended December 31, 2017.
- (e) Includes impairment charges of \$18 million for the three months ended December 31, 2017, \$74 million (net of tax of \$28 million) for the year ended December 31, 2017, and \$45 million (net of tax of \$26 million) for the year ended December 31, 2016.
- (f) Includes benefit of \$442 million from impacts of the Tax Act for the three months and year ended December 31, 2017.
- (g) Includes costs to achieve the Piedmont merger of \$21 million (net of tax of \$13 million) for the three months ended December 31, 2017, and \$64 million (net of tax of \$39 million) for the year ended December 31, 2017.
- (h) Includes charge of \$537 million from impacts of the Tax Act for the three months and year ended December 31, 2017.
- (i) Includes costs to achieve mergers of \$134 million (net of tax of \$74 million) for the three months ended December 31, 2016, and \$329 million (net of tax of \$194 million) for the year ended December 31, 2016.
- (j) Includes a charge of \$57 million (net of tax of \$35 million) for the year ended December 31, 2016, primarily consisting of severance expense related to cost saving initiatives.
- (k) Includes a loss on the sale of the International Disposal Group of \$640 million (including tax charges of \$126 million) for the three months and year ended December 31, 2016.
- (l) Includes \$5 billion related to the Piedmont acquisition for the three months and year ended December 31, 2016.
- (m) Includes capital expenditures of the International Disposal Group prior to the sale for the year ended December 31, 2016.

December 2017
QUARTERLY HIGHLIGHTS
(Unaudited)

(In millions)	Three Months Ended		Years Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
ELECTRIC UTILITIES AND INFRASTRUCTURE				
Operating Revenues	\$ 5,097	\$ 4,936	\$ 21,331	\$ 21,366
Operating Expenses				
Fuel used in electric generation and purchased power	1,504	1,493	6,379	6,595
Operation, maintenance and other	1,363	1,473	5,196	5,292
Depreciation and amortization	782	758	3,010	2,897
Property and other taxes	271	222	1,079	1,021
Impairment charges	42	4	176	16
Total operating expenses	<u>3,962</u>	<u>3,950</u>	<u>15,840</u>	<u>15,821</u>
Gains (Loss) on Sales of Other Assets and Other, net	<u>2</u>	<u>(3)</u>	<u>6</u>	<u>—</u>
Operating Income	1,137	983	5,497	5,545
Other Income and Expenses	86	88	308	303
Interest Expense	<u>315</u>	<u>307</u>	<u>1,240</u>	<u>1,136</u>
Income Before Income Taxes	908	764	4,565	4,712
Income Tax Expense	<u>82</u>	<u>281</u>	<u>1,355</u>	<u>1,672</u>
Segment Income	<u>\$ 826</u>	<u>\$ 483</u>	<u>\$ 3,210</u>	<u>\$ 3,040</u>
GAS UTILITIES AND INFRASTRUCTURE				
Operating Revenues	\$ 593	\$ 543	\$ 1,836	\$ 901
Operating Expenses				
Cost of natural gas	230	201	632	265
Operation, maintenance and other	102	96	393	186
Depreciation and amortization	60	56	231	115
Property and other taxes	25	26	106	70
Total operating expenses	<u>417</u>	<u>379</u>	<u>1,362</u>	<u>636</u>
Loss on Sales of Other Assets and Other, net	<u>—</u>	<u>(1)</u>	<u>—</u>	<u>(1)</u>
Operating Income	176	163	474	264
Other Income and Expenses	6	11	66	24
Interest Expense	<u>27</u>	<u>27</u>	<u>105</u>	<u>46</u>
Income Before Income Taxes	155	147	435	242
Income Tax Expense	<u>15</u>	<u>58</u>	<u>116</u>	<u>90</u>
Segment Income	<u>\$ 140</u>	<u>\$ 89</u>	<u>\$ 319</u>	<u>\$ 152</u>
COMMERCIAL RENEWABLES				
Operating Revenues	\$ 127	\$ 119	\$ 460	\$ 484
Operating Expenses				
Operation, maintenance and other	76	84	267	337
Depreciation and amortization	39	34	155	130
Property and other taxes	7	5	33	25
Impairment charges	23	—	99	—
Total operating expenses	<u>145</u>	<u>123</u>	<u>554</u>	<u>492</u>
(Loss) Gains on Sales of Other Assets and Other, net	<u>(4)</u>	<u>1</u>	<u>1</u>	<u>5</u>
Operating (Loss) Income	(22)	(3)	(93)	(3)
Other Income and Expenses	—	(5)	(12)	(83)
Interest Expense	<u>23</u>	<u>15</u>	<u>87</u>	<u>53</u>
Loss Before Income Taxes	(45)	(23)	(192)	(139)
Income Tax Benefit	<u>(482)</u>	<u>(33)</u>	<u>(628)</u>	<u>(160)</u>
Less: Loss Attributable to Noncontrolling Interests	<u>(2)</u>	<u>—</u>	<u>(5)</u>	<u>(2)</u>
Segment Income	<u>\$ 439</u>	<u>\$ 10</u>	<u>\$ 441</u>	<u>\$ 23</u>
OTHER				
Operating Revenues	\$ 35	\$ 26	\$ 138	\$ 117
Operating Expenses				
Fuel used in electric generation and purchased power	16	14	58	51

Operation, maintenance and other	(3)	226	44	371
Depreciation and amortization	52	44	131	152
Property and other taxes	4	3	14	28
Impairment charges	—	—	7	2
Total operating expenses	69	287	254	604
Gains on Sales of Other Assets and Other, net	6	9	21	23
Operating Loss	(28)	(252)	(95)	(464)
Other Income and Expenses	27	15	127	75
Interest Expense	151	140	574	693
Loss Before Income Taxes	(152)	(377)	(542)	(1,082)
Income Tax Expense (Benefit)	546	(170)	353	(446)
Less: Income Attributable to Noncontrolling Interests	2	2	10	9
Other Net Expense	\$ (700)	\$ (209)	\$ (905)	\$ (645)

DUKE ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except per-share amounts)

	Years Ended December 31,		
	2017	2016	2015
Operating Revenues			
Regulated electric	\$ 21,177	\$ 21,221	\$ 21,379
Regulated natural gas	1,734	863	536
Nonregulated electric and other	654	659	456
Total operating revenues	23,565	22,743	22,371
Operating Expenses			
Fuel used in electric generation and purchased power	6,350	6,625	7,355
Cost of natural gas	632	265	141
Operation, maintenance and other	5,788	6,085	5,539
Depreciation and amortization	3,527	3,294	3,053
Property and other taxes	1,233	1,142	1,129
Impairment charges	282	18	106
Total operating expenses	17,812	17,429	17,323
Gains on Sales of Other Assets and Other, net	28	27	30
Operating Income	5,781	5,341	5,078
Other Income and Expenses			
Equity in earnings (losses) of unconsolidated affiliates	119	(15)	69
Other income and expenses, net	352	324	290
Total other income and expenses	471	309	359
Interest Expense	1,986	1,916	1,527
Income From Continuing Operations Before Income Taxes	4,266	3,734	3,910
Income Tax Expense from Continuing Operations	1,196	1,156	1,256
Income From Continuing Operations	3,070	2,578	2,654
(Loss) Income From Discontinued Operations, net of tax	(6)	(408)	177
Net Income	3,064	2,170	2,831
Less: Net Income Attributable to Noncontrolling Interests	5	18	15
Net Income Attributable to Duke Energy Corporation	\$ 3,059	\$ 2,152	\$ 2,816

Earnings Per Share - Basic and Diluted

Income from continuing operations attributable to Duke Energy Corporation common stockholders

Basic	\$ 4.37	\$ 3.71	\$ 3.80
Diluted	\$ 4.37	\$ 3.71	\$ 3.80

(Loss) Income from discontinued operations attributable to Duke Energy Corporation common stockholders

Basic	\$ (0.01)	\$ (0.60)	\$ 0.25
Diluted	\$ (0.01)	\$ (0.60)	\$ 0.25

Net income attributable to Duke Energy Corporation common stockholders

Basic	\$ 4.36	\$ 3.11	\$ 4.05
Diluted	\$ 4.36	\$ 3.11	\$ 4.05

Weighted average shares outstanding

Basic	700	691	694
Diluted	700	691	694

DUKE ENERGY CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	December 31, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 358	\$ 392
Receivables (net of allowance for doubtful accounts of \$14 at 2017 and 2016)	779	751
Receivables of VIEs (net of allowance for doubtful accounts of \$54 at 2017 and 2016)	1,995	1,893
Inventory	3,250	3,522
Regulatory assets (includes \$51 at 2017 and \$50 at 2016 related to VIEs)	1,437	1,023
Other	634	458
Total current assets	8,453	8,039
Property, Plant and Equipment		
Cost	127,507	121,397
Accumulated depreciation and amortization	(41,537)	(39,406)
Generation facilities to be retired, net	421	529
Net property, plant and equipment	86,391	82,520
Other Noncurrent Assets		
Goodwill	19,396	19,425
Regulatory assets (includes \$1,091 at 2017 and \$1,142 at 2016 related to VIEs)	12,442	12,878
Nuclear decommissioning trust funds	7,097	6,205
Investments in equity method unconsolidated affiliates	1,175	925
Other	2,960	2,769
Total other noncurrent assets	43,070	42,202
Total Assets	\$ 137,914	\$ 132,761
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 3,043	\$ 2,994
Notes payable and commercial paper	2,163	2,487
Taxes accrued	551	384
Interest accrued	525	503
Current maturities of long-term debt (includes \$225 at 2017 and \$260 at 2016 related to VIEs)	3,244	2,319
Asset retirement obligations	689	411
Regulatory liabilities	402	409
Other	1,865	2,044
Total current liabilities	12,482	11,551
Long-Term Debt (includes \$4,306 at 2017 and \$3,587 at 2016 related to VIEs)	49,035	45,576
Other Noncurrent Liabilities		
Deferred income taxes	6,621	14,155
Asset retirement obligations	9,486	10,200
Regulatory liabilities	15,330	6,881
Accrued pension and other post-retirement benefit costs	1,103	1,111
Investment tax credits	539	493
Other	1,581	1,753
Total other noncurrent liabilities	34,660	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	38,792	38,741
Retained earnings	3,013	2,384
Accumulated other comprehensive loss	(67)	(93)
Total Duke Energy Corporation stockholders' equity	41,739	41,033
Noncontrolling interests	(2)	8
Total equity	41,737	41,041
Total Liabilities and Equity	\$ 137,914	\$ 132,761

DUKE ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Years Ended December 31,		
	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	\$ 3,064	\$ 2,170	\$ 2,831
Adjustments to reconcile net income to net cash provided by operating activities	3,570	4,647	3,869
Net cash provided by operating activities	6,634	6,817	6,700
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities	(8,450)	(11,533)	(5,277)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities	1,782	4,251	(2,602)
Changes in cash and cash equivalents associated with assets held for sale	—	474	1,099
Net (decrease) increase in cash and cash equivalents	(34)	9	(80)
Cash and cash equivalents at beginning of period	392	383	463
Cash and cash equivalents at end of period	\$ 358	\$ 392	\$ 383

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
December 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	\$ 0.69	\$ 0.13	\$ 0.01	\$ —	\$ (0.30)	\$ (0.86)	\$ (0.33)
Costs to Achieve Mergers	—	—	—	—	0.19	—	0.19
Cost Savings Initiatives	—	—	—	—	0.03	—	0.03
International Energy Operations	—	—	—	0.06	—	(0.06)	—
Discontinued Operations ^(a)	—	—	—	—	—	0.92	0.92
2016 QTD Adjusted Earnings Per Share, Diluted	\$ 0.69	\$ 0.13	\$ 0.01	\$ 0.06	\$ (0.08)	\$ —	\$ 0.81
Weather	0.08	—	—	—	—	—	0.08
Volume	0.02	0.01	—	—	—	—	0.03
Pricing and Riders	0.03	0.01	—	—	—	—	0.04
Operations and maintenance, net of recoverables ^(b)	0.11	—	—	—	—	—	0.11
Midstream Gas Pipelines	—	0.01	—	—	—	—	0.01
Duke Energy Renewables	—	—	0.01	—	—	—	0.01
Interest Expense	(0.01)	—	—	—	(0.01)	—	(0.02)
Other ^{(c)(d)}	(0.08)	—	—	—	0.02	—	(0.06)
Change in effective income tax rate ^(e)	0.03	0.01	—	—	(0.05)	—	(0.01)
Latin America, including foreign exchange rates	—	—	—	(0.06)	—	—	(0.06)
2017 QTD Adjusted Earnings Per Share, Diluted	\$ 0.87	\$ 0.17	\$ 0.02	\$ —	\$ (0.12)	\$ —	\$ 0.94
Costs to Achieve Piedmont Merger	—	—	—	—	(0.03)	—	(0.03)
Regulatory Settlements	(0.02)	—	—	—	—	—	(0.02)
Commercial Renewables Impairments	—	—	(0.03)	—	—	—	(0.03)
Impacts of the Tax Act	0.33	0.04	0.63	—	(0.86)	—	0.14
2017 QTD Reported Earnings Per Share, Diluted	\$ 1.18	\$ 0.21	\$ 0.62	\$ —	\$ (1.01)	\$ —	\$ 1.00

Note: 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 loss on the sale of the International Disposal Group and other transaction-related costs.
- (b) Primarily due to ongoing cost management and higher planned O&M spending in 2016.
- (c) Electric Utilities and Infrastructure includes higher depreciation and amortization (-\$0.02) and higher property taxes (-\$0.02).
- (d) Other includes lower Foundation contributions (+\$0.02) and lower claims at the captive insurer (+\$0.01).
- (e) Primarily due to tax true-ups that offset between Electric Utilities and Infrastructure, Gas Utilities and Infrastructure, and Other.

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
December 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	\$ 4.40	\$ 0.22	\$ 0.03	\$ —	\$ (0.94)	\$ (0.60)	\$ 3.11
Costs to Achieve Mergers	—	—	—	—	0.48	—	0.48
Cost Savings Initiatives	—	—	—	—	0.08	—	0.08
Commercial Renewables Impairment	—	—	0.07	—	—	—	0.07
International Energy Operations	—	—	—	0.35	—	(0.35)	—
Discontinued Operations	—	—	—	—	—	0.95	0.95
2016 YTD Adjusted Earnings Per Share, Diluted	\$ 4.40	\$ 0.22	\$ 0.10	\$ 0.35	\$ (0.38)	\$ —	\$ 4.69
Change in share count ^(a)	(0.06)	—	—	—	—	—	(0.06)
Weather-related ^(b)	(0.26)	—	—	—	—	—	(0.26)
Volume	0.08	0.01	—	—	—	—	0.09
Pricing and Riders	0.16	0.01	—	—	—	—	0.17
Operations and maintenance, net of recoverables ^(c)	0.20	—	—	—	—	—	0.20
Piedmont Natural Gas contribution	—	0.14	—	—	—	—	0.14
Midstream Gas Pipelines	—	0.04	—	—	—	—	0.04
Duke Energy Renewables	—	—	0.01	—	—	—	0.01
National Methanol Company (NMC)	—	—	—	—	0.02	—	0.02
Interest Expense	(0.08)	—	—	—	(0.10)	—	(0.18)
Other ^{(d)(e)}	(0.06)	(0.01)	—	—	0.11	—	0.04
Change in effective income tax rate	0.02	0.01	—	(0.09)	(0.01)	—	(0.07)
Latin America, including foreign exchange rates	—	—	—	(0.26)	—	—	(0.26)
2017 YTD Adjusted Earnings Per Share, Diluted	\$ 4.40	\$ 0.42	\$ 0.11	\$ —	\$ (0.36)	\$ —	\$ 4.57
Costs to Achieve Piedmont Merger	—	—	—	—	(0.09)	—	(0.09)
Regulatory Settlements	(0.14)	—	—	—	—	—	(0.14)
Commercial Renewables Impairments	—	—	(0.11)	—	—	—	(0.11)
Impacts of the Tax Act	0.33	0.04	0.63	—	(0.86)	—	0.14
Discontinued Operations	—	—	—	—	—	(0.01)	(0.01)
2017 YTD Reported Earnings Per Share, Diluted	\$ 4.59	\$ 0.46	\$ 0.63	\$ —	\$ (1.31)	\$ (0.01)	\$ 4.36

Note: 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 691 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 management efforts, including higher planned O&M spending in 2016.

(d) Electric Utilities and Infrastructure is primarily due to higher depreciation and amortization (-\$0.07) and higher property taxes (-\$0.03), partially offset by higher AFUDC equity (+\$0.05).

(e) Other includes lower contributions to the Duke Energy Foundation (+\$0.05), a benefit related to a litigation settlement (+\$0.02), higher returns on investments (+\$0.01) and lower claims at the captive insurer (+\$0.01).

Electric Utilities and Infrastructure
Quarterly Highlights
December 2017

	Three Months Ended December 31,				Years Ended December 31,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	18,559	18,057	2.8%	1.9%	80,536	83,507	(3.6%)	1.0%
General Service	18,301	18,473	(0.9%)	—%	76,343	77,764	(1.8%)	(0.1%)
Industrial	12,619	12,748	(1.0%)	—%	51,645	51,895	(0.5%)	0.3%
Other Energy Sales	139	144	(3.5%)		565	579	(2.4%)	
Unbilled Sales	1,193	(328)	463.7%	n/a	1,124	750	49.9%	n/a
Total Retail Sales	50,811	49,094	3.5%	0.7%	210,213	214,495	(2.0%)	0.4%
Wholesale and Other	10,722	9,251	15.9%		42,289	43,034	(1.7%)	
Total Consolidated Electric Sales - Electric Utilities and Infrastructure	61,533	58,345	5.5%		252,502	257,529	(2.0%)	
Average Number of Customers (Electric)								
Residential	6,576,621	6,481,081	1.5%		6,538,590	6,450,046	1.4%	
General Service	978,073	966,777	1.2%		973,612	962,629	1.1%	
Industrial	17,691	17,768	(0.4%)		17,722	17,843	(0.7%)	
Other Energy Sales	23,406	23,177	1.0%		23,318	23,132	0.8%	
Total Retail Customers	7,595,791	7,488,803	1.4%		7,553,242	7,453,650	1.3%	
Wholesale and Other	54	60	(10.0%)		56	61	(8.2%)	
Total Average Number of Customers - Electric Utilities and Infrastructure	7,595,845	7,488,863	1.4%		7,553,298	7,453,711	1.3%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	15,598	15,400	1.3%		72,730	73,767	(1.4%)	
Nuclear	18,665	18,375	1.6%		73,892	74,160	(0.4%)	
Hydro	321	153	109.8%		1,335	1,655	(19.3%)	
Oil and Natural Gas	16,396	13,689	19.8%		62,702	62,150	0.9%	
Renewable Energy	89	37	140.5%		418	195	114.4%	
Total Generation (4)	51,069	47,654	7.2%		211,077	211,927	(0.4%)	
Purchased Power and Net Interchange (5)	13,988	13,625	2.7%		54,722	59,382	(7.8%)	
Total Sources of Energy	65,057	61,279	6.2%		265,799	271,309	(2.0%)	
Less: Line Loss and Other	3,801	2,934	29.6%		13,574	13,780	(1.5%)	
Total GWh Sources	61,256	58,345	5.0%		252,225	257,529	(2.1%)	
Owned MW Capacity (3)								
Summer					49,506	49,338		
Winter					53,065	52,515		
Nuclear Capacity Factor (%) (6)								
					96	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
December 2017

	Three Months Ended December 31,				Years Ended December 31,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	6,014	5,884	2.2%		26,593	27,939	(4.8%)	
General Service	6,746	6,801	(0.8%)		28,388	28,906	(1.8%)	
Industrial	5,313	5,396	(1.5%)		21,776	21,942	(0.8%)	
Other Energy Sales	75	76	(1.3%)		301	304	(1.0%)	
Unbilled Sales	745	128	482.0%		376	372	1.1%	
Total Retail Sales	18,893	18,285	3.3%	1.3%	77,434	79,463	(2.6%)	0.6%
Wholesale and Other	2,253	2,370	(4.9%)		9,871	9,062	8.7%	
Total Consolidated Electric Sales - Duke Energy Carolinas	21,146	20,655	2.4%		87,305	88,545	(1.4%)	
Average Number of Customers								
Residential	2,194,579	2,159,930	1.6%		2,181,646	2,148,432	1.5%	
General Service	355,583	351,145	1.3%		353,856	349,400	1.3%	
Industrial	6,229	6,270	(0.7%)		6,239	6,296	(0.9%)	
Other Energy Sales	15,429	15,250	1.2%		15,375	15,190	1.2%	
Total Retail Customers	2,571,820	2,532,595	1.5%		2,557,116	2,519,317	1.5%	
Wholesale and Other	23	23	—%		25	24	4.2%	
Total Average Number of Customers - Duke Energy Carolinas	2,571,843	2,532,618	1.5%		2,557,141	2,519,341	1.5%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	4,841	5,551	(12.8%)		25,573	25,607	(0.1%)	
Nuclear	10,829	11,417	(5.2%)		44,387	44,826	(1.0%)	
Hydro	175	20	775.0%		650	822	(20.9%)	
Oil and Natural Gas	2,894	2,886	0.3%		10,965	11,779	(6.9%)	
Renewable Energy	30	3	900.0%		126	13	869.2%	
Total Generation (4)	18,769	19,877	(5.6%)		81,701	83,047	(1.6%)	
Purchased Power and Net Interchange (5)	3,291	1,941	69.8%		10,346	10,737	(3.6%)	
Total Sources of Energy	22,060	21,818	1.1%		92,047	93,784	(1.9%)	
Less: Line Loss and Other	913	1,163	(21.5%)		4,741	5,239	(9.5%)	
Total GWh Sources	21,147	20,655	2.4%		87,306	88,545	(1.4%)	
Owned MW Capacity (3)								
Summer					19,568	19,685		
Winter					20,425	20,390		
Nuclear Capacity Factor (%) (6)								
					96	96		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,196	1,047	14.2%		2,629	2,908	(9.6%)	
Cooling Degree Days	63	60	38.3%		1,629	1,950	(16.5%)	
Variance from Normal								
Heating Degree Days	(5.7%)	(18.1%)	n/a		(19.2%)	(11.4%)	n/a	
Cooling Degree Days	144.1%	71.4%	n/a		7.5%	29.9%	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.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Progress
Quarterly Highlights
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	Three Months Ended December 31,				Years Ended December 31,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	3,875	3,683	5.2%		17,228	17,686	(2.6%)	
General Service	3,593	3,550	1.2%		15,354	15,557	(1.3%)	
Industrial	2,559	2,482	3.1%		10,391	10,274	1.1%	
Other Energy Sales	19	21	(9.5%)		80	89	(10.1%)	
Unbilled Sales	506	164	208.5%		217	262	(17.2%)	
Total Retail Sales	10,552	9,900	6.6%	—%	43,270	43,868	(1.4%)	0.2%
Wholesale and Other	6,244	5,138	21.5%		23,552	25,181	(6.5%)	
Total Consolidated Electric Sales - Duke Energy Progress	16,796	15,038	11.7%		66,822	69,049	(3.2%)	
Average Number of Customers								
Residential	1,317,821	1,297,292	1.6%		1,309,968	1,291,742	1.4%	
General Service	233,023	229,936	1.3%		231,950	229,007	1.3%	
Industrial	4,106	4,115	(0.2%)		4,122	4,136	(0.3%)	
Other Energy Sales	1,452	1,498	(3.1%)		1,456	1,537	(5.3%)	
Total Retail Customers	1,556,402	1,532,841	1.5%		1,547,496	1,526,422	1.4%	
Wholesale and Other	15	15	—%		14	15	(6.7%)	
Total Average Number of Customers - Duke Energy Progress	1,566,417	1,532,856	1.5%		1,547,510	1,526,437	1.4%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	1,790	2,062	(13.2%)		8,598	11,570	(25.7%)	
Nuclear	7,836	6,958	12.6%		29,505	29,334	0.6%	
Hydro	103	41	151.2%		481	490	(1.8%)	
Oil and Natural Gas	5,917	4,679	26.5%		22,565	22,716	(0.7%)	
Renewable Energy	50	31	61.3%		256	177	44.6%	
Total Generation (4)	15,696	13,771	14.0%		61,405	64,287	(4.5%)	
Purchased Power and Net Interchange (5)	1,731	1,990	(13.0%)		7,752	7,361	5.0%	
Total Sources of Energy	17,427	15,761	10.6%		69,157	71,668	(3.5%)	
Less: Line Loss and Other	631	723	(12.7%)		2,335	2,619	(10.8%)	
Total GWh Sources	16,796	15,038	11.7%		66,822	69,049	(3.2%)	
Owned MW Capacity (3)								
Summer					12,809	12,935		
Winter					14,011	14,034		
Nuclear Capacity Factor (%) (6)								
					95	94		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,102	1,013	8.8%		2,390	2,705	(11.7%)	
Cooling Degree Days	115	78	47.4%		1,896	2,033	(6.7%)	
Variance from Normal								
Heating Degree Days	(3.1%)	(11.7%)	n/a		(19.0%)	(9.0%)	n/a	
Cooling Degree Days	113.0%	39.3%	n/a		14.8%	23.9%	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.

(6) Statistics reflect 100% of jointly owned stations.

Duke Energy Florida
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	Three Months Ended December 31,				Years Ended December 31,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	4,705	4,612	2.0%		19,791	20,265	(2.3%)	
General Service	3,742	3,795	(1.4%)		15,089	15,288	(1.3%)	
Industrial	772	816	(5.4%)		3,120	3,197	(2.4%)	
Other Energy Sales	6	6	—%		24	24	—%	
Unbilled Sales	(300)	(755)	60.3%		301	(257)	217.1%	
Total Retail Sales	8,925	8,474	5.3%	2.9%	38,325	38,517	(0.5%)	2.1%
Wholesale and Other	489	388	26.0%		2,266	1,887	20.1%	
Total Electric Sales - Duke Energy Florida	9,414	8,862	6.2%		40,591	40,404	0.5%	
Average Number of Customers								
Residential	1,583,662	1,555,990	1.8%		1,573,087	1,548,681	1.6%	
General Service	200,139	196,708	1.7%		198,712	196,728	1.5%	
Industrial	2,127	2,157	(1.4%)		2,142	2,177	(1.6%)	
Other Energy Sales	1,517	1,528	(0.7%)		1,518	1,532	(0.9%)	
Total Retail Customers	1,787,435	1,756,383	1.8%		1,775,459	1,748,118	1.6%	
Wholesale and Other	10	14	(28.6%)		11	14	(21.4%)	
Total Average Number of Customers - Duke Energy Florida	1,787,445	1,756,397	1.8%		1,775,470	1,748,132	1.6%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	1,257	2,247	(44.1%)		8,722	8,852	(1.5%)	
Oil and Natural Gas	7,063	5,513	28.1%		27,370	24,884	10.0%	
Renewable Energy	6	3	n/a		16	5	n/a	
Total Generation (4)	8,326	7,763	7.3%		36,108	33,741	7.0%	
Purchased Power and Net Interchange (5)	1,454	1,591	(8.6%)		6,557	8,998	(27.1%)	
Total Sources of Energy	9,780	9,354	4.6%		42,665	42,739	(0.2%)	
Less: Line Loss and Other	644	492	30.9%		2,352	2,335	0.7%	
Total GWh Sources	9,136	8,862	3.1%		40,313	40,404	(0.2%)	
Owned MW Capacity (3)								
Summer					9,305	8,839		
Winter					10,278	9,732		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	131	81	61.7%		308	482	(36.1%)	
Cooling Degree Days	550	572	(3.8%)		3,454	3,481	(0.8%)	
Variance from Normal								
Heating Degree Days	(33.3%)	(60.0%)	n/a		(47.6%)	(19.8%)	n/a	
Cooling Degree Days	17.5%	22.3%	n/a		9.2%	10.1%	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
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	Three Months Ended December 31,				Years Ended December 31,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	1,944	1,897	2.5%		8,349	8,699	(4.0%)	
General Service	2,244	2,307	(2.7%)		9,333	9,633	(3.1%)	
Industrial	1,364	1,467	(7.0%)		5,786	5,945	(2.7%)	
Other Energy Sales	26	27	(3.7%)		108	109	(0.9%)	
Unbilled Sales	144	67	114.9%		112	203	(44.8%)	
Total Retail Sales	5,722	5,765	(0.7%)	(1.6%)	23,688	24,589	(3.7%)	(1.4%)
Wholesale and Other	285	281	1.4%		961	574	66.7%	
Total Electric Sales - Duke Energy Ohio	6,007	6,046	(0.6%)		24,639	25,163	(2.1%)	
Average Number of Customers								
Residential	763,079	756,044	0.9%		758,865	753,409	0.9%	
General Service	88,068	87,931	0.2%		87,931	87,625	0.3%	
Industrial	2,501	2,507	(0.2%)		2,501	2,514	(0.5%)	
Other Energy Sales	3,324	3,274	1.5%		3,305	3,258	1.4%	
Total Retail Customers	856,973	849,756	0.8%		853,602	846,806	0.8%	
Wholesale and Other	1	1	—%		1	1	—%	
Total Average Number of Customers - Duke Energy Ohio	856,974	849,757	0.8%		853,603	846,807	0.8%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	1,041	1,017	2.4%		4,270	3,667	16.4%	
Oil and Natural Gas	—	4	(100.0%)		13	32	(59.4%)	
Total Generation (4)	1,041	1,021	2.0%		4,283	3,699	15.8%	
Purchased Power and Net Interchange (5)	6,130	5,507	11.3%		23,318	23,648	(1.4%)	
Total Sources of Energy	7,171	6,528	9.8%		27,601	27,347	0.9%	
Less: Line Loss and Other	1,164	482	141.5%		2,962	2,184	35.6%	
Total GWh Sources	6,007	6,046	(0.6%)		24,639	25,163	(2.1%)	
Owned MW Capacity (3)								
Summer					1,080	1,062		
Winter					1,168	1,164		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,842	1,635	12.7%		4,245	4,483	(5.3%)	
Cooling Degree Days	46	55	(16.4%)		1,079	1,400	(22.9%)	
Variance from Normal								
Heating Degree Days	(0.6%)	(12.6%)	n/a		(14.0%)	(9.9%)	n/a	
Cooling Degree Days	187.5%	223.5%	n/a		(1.6%)	28.0%	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
December 2017

	Three Months Ended December 31,				Years Ended December 31,			
	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)	2017	2016	% Inc.(Dec.)	% Inc.(Dec.) Weather Normal (2)
GWh Sales (1)								
Residential	2,021	1,981	2.0%		8,575	8,918	(3.8%)	
General Service	1,976	2,020	(2.2%)		8,179	8,380	(2.4%)	
Industrial	2,611	2,587	0.9%		10,572	10,537	0.3%	
Other Energy Sales	13	14	(7.1%)		52	53	(1.9%)	
Unbilled Sales	98	68	44.1%		118	170	(30.6%)	
Total Retail Sales	6,719	6,670	0.7%	(0.5%)	27,496	28,058	(2.0%)	(0.4%)
Wholesale and Other	1,451	1,074	35.1%		5,649	6,310	(10.5%)	
Total Electric Sales - Duke Energy Indiana	8,170	7,744	5.5%		33,145	34,368	(3.6%)	
Average Number of Customers								
Residential	717,490	711,825	0.8%		714,024	707,782	0.9%	
General Service	101,259	101,057	0.2%		101,163	100,869	0.3%	
Industrial	2,728	2,719	0.3%		2,718	2,721	(0.1%)	
Other Energy Sales	1,684	1,627	3.5%		1,664	1,615	3.0%	
Total Retail Customers	823,161	817,228	0.7%		819,569	812,987	0.8%	
Wholesale and Other	5	7	(28.6%)		5	7	(28.6%)	
Total Average Number of Customers - Duke Energy Indiana	823,166	817,235	0.7%		819,574	812,994	0.8%	
Sources of Electric Energy (GWh)								
Generated - Net Output (3)								
Coal	6,669	4,523	47.4%		25,567	24,071	6.2%	
Hydro	43	92	(53.3%)		204	343	(40.5%)	
Oil and Natural Gas	522	607	(14.0%)		1,789	2,739	(34.7%)	
Renewable Energy	3	—	n/a		20	—	n/a	
Total Generation (4)	7,237	5,222	38.6%		27,580	27,153	1.6%	
Purchased Power and Net Interchange (5)	1,382	2,596	(46.8%)		6,749	8,618	(21.7%)	
Total Sources of Energy	8,619	7,818	10.2%		34,329	35,771	(4.0%)	
Less: Line Loss and Other	449	74	506.8%		1,184	1,403	(15.6%)	
Total GWh Sources	8,170	7,744	5.5%		33,145	34,368	(3.6%)	
Owned MW Capacity (3)								
Summer					6,744	6,817		
Winter					7,183	7,195		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,970	1,782	10.5%		4,589	4,846	(5.3%)	
Cooling Degree Days	38	40	(5.0%)		1,094	1,348	(18.8%)	
Variance from Normal								
Heating Degree Days	(0.6%)	(10.9%)	n/a		(13.5%)	(9.3%)	n/a	
Cooling Degree Days	153.3%	166.7%	n/a		(0.8%)	24.5%	n/a	

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(2) Represents weather normal total retail calendar sales (i.e., billed and unbilled sales).

(3) Statistics reflect Duke Energy's ownership share of jointly owned stations.

(4) Generation by source is reported net of auxiliary power.

(5) Purchased power includes renewable energy purchases.

Gas Utilities and Infrastructure
Quarterly Highlights
December 2017

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016	% Inc.(Dec.)	2017	2016	% Inc.(Dec.)
Total Sales						
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms) (1) (2)	133,478,461	120,906,508	10.4%	468,259,777	495,122,794	(5.4%)
Duke Energy Midwest LDC throughput (Mcf)	27,994,426	24,846,503	12.7%	80,934,836	81,870,489	(1.1%)
Average Number of Customers - Piedmont Natural Gas (1)						
Residential	960,873	933,760	1.8%	949,515	933,344	1.7%
Commercial	101,671	100,321	1.3%	101,863	100,819	1.0%
Industrial	966	900	7.3%	966	948	1.9%
Power Generation	17	15	13.3%	16	15	6.7%
Total Average Number of Gas Customers - Piedmont Natural Gas	1,053,527	1,034,996	1.8%	1,052,360	1,035,126	1.7%
Average Number of Customers - Duke Energy Midwest						
Residential	483,155	478,761	0.9%	481,645	477,729	0.8%
Commercial	43,278	43,196	0.2%	43,118	43,124	—%
Industrial	1,587	1,609	(1.4%)	1,582	1,609	(1.7%)
Other	138	142	(2.8%)	140	144	(2.8%)
Total Average Number of Gas Customers - Duke Energy Midwest	528,158	523,708	0.8%	526,485	522,606	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
December 2017

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016	% Inc.(Dec.)	2017	2016	% Inc.(Dec.)
Renewable Plant Production, GWh	1,984	1,825	8.7%	8,260	7,446	10.9%
Net Proportional MW Capacity in Operation	n/a	n/a		2,907	2,892	0.5%