

State of North Carolina)
) ss.:
County of Mecklenburg)

I, Phoebe P. Elliot, a Notary Public in and for the State and County aforesaid, certify that Carol Melendez personally appeared before me this day, and being duly sworn, stated that she is not a party to or beneficiary of the transaction and that in her presence Karl W. Newlin executed the foregoing instrument, and that she, with Aloma M. Felder, witnessed the execution thereof.

Witness my hand and official seal, this 14th day of August, 2019.

/s/ Carol Melendez
Carol Melendez

/s/ Phoebe P. Elliot
Name: Phoebe P. Elliot
Notary Public, State of North Carolina
Mecklenburg County
My Commission Expires: June 26, 2021

State of North Carolina)
) ss.:
County of Mecklenburg)

I, Phoebe P. Elliot, a Notary Public in and for the State and County aforesaid, certify that Robert T. Lucas III personally came before me this day and acknowledged that he is an Assistant Secretary of Duke Energy Carolinas, LLC, a North Carolina limited liability company, and that, by authority duly given and as the act of the company, the foregoing instrument was signed in its name by one of its Senior Vice Presidents, sealed with its seal, and attested by himself as one of its Assistant Secretaries.

Witness my hand and official seal, this 14th day of August, 2019.

/s/ Phoebe P. Elliott
Name: Phoebe P. Elliott
Notary Public, State of North Carolina
Mecklenburg County
My Commission Expires: June 26, 2021

EXHIBIT A

FORM OF DUKE ENERGY CAROLINAS, LLC
FIRST AND REFUNDING MORTGAGE BOND, 2.45% SERIES DUE 2029

[FACE SIDE OF BOND]

[DEPOSITORY LEGEND, IF APPLICABLE]
DUKE ENERGY CAROLINAS, LLC

FIRST AND REFUNDING MORTGAGE BOND,
2.45% SERIES DUE 2029

No. _____ §
CUSIP No. 26442C AY0
ISIN US26442CAY03

Duke Energy Carolinas, LLC, a North Carolina limited liability company (hereinafter called the "Company"), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars on August 15, 2029 in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts, at the office or agency of the Company in the Borough of Manhattan, The City of New York, and to pay interest thereon at said office or agency from the interest payment date next preceding the date hereof to which interest on outstanding bonds of this series has been paid (unless the date hereof is prior to February 15, 2020, in which case from August 14, 2019, and unless the date hereof is subsequent to a record date (as defined below) and prior to the next succeeding February 15 or August 15, in which case from the next succeeding February 15 or August 15 as the case may be), at the rate of 2.45% per annum, in like coin or currency, semi-annually on February 15 and August 15, in each year, commencing February 15, 2020, until the principal hereof shall become due and payable. Such interest payments shall be made to the person in whose name this bond is registered at the close of business on the record date (as defined below) for such interest payment date, which will be (i) the close of business on the business day immediately preceding such interest payment date so long as the bonds of the 2.45% Series remain in book-entry only form or (ii) the fifteenth calendar day, whether or not a business day, immediately preceding such interest payment date if any of the bonds of the 2.45% Series do not remain in book-entry only form (each of (i) or (ii), a "record date") (subject to certain exceptions provided in the Indenture hereinafter mentioned), at his last address as it shall appear upon the bond register of the Company.

The provisions of this bond are continued on the reverse hereof and such continued provisions shall for all purposes have the same effect as though fully set forth in this place.

This bond shall not become or be valid or obligatory for any purpose until the Trustee shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, the Company has caused this instrument to be signed in its name by its President or one of its Vice Presidents, manually or by facsimile signature, and its company seal to be hereto affixed, or a facsimile thereof to be hereon engraved, lithographed or printed, and to be attested by the manual or facsimile signature of its Secretary or one of its Assistant Secretaries.

Dated:

DUKE ENERGY CAROLINAS, LLC

By: _____
Name:
Title:

ATTEST:

Name:
Title:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

The Bank of New York Mellon Trust Company, N.A.,
as Trustee

By: _____
Authorized Signatory

[REVERSE SIDE OF BOND]

This bond is one of the bonds of a series, designated specially as First and Refunding Mortgage Bonds, 2.45% Series due 2029, of an authorized issue of bonds of the Company, without limit as to aggregate principal amount, designated generally as First and Refunding Mortgage Bonds, all issued and to be issued under and equally and ratably secured by a First and Refunding Mortgage dated as of December 1, 1927, duly executed by Duke Power Company, a New Jersey corporation (hereinafter called the "New Jersey Company"), to Guaranty Trust Company of New York, as Trustee (The Bank of New York Mellon Trust Company, N.A., as successor trustee), as supplemented and modified by indentures supplemental thereto, including a supplemental indenture dated as of August 14, 2019 providing for said series (said First and Refunding Mortgage as so supplemented and modified being hereinafter referred to as the "Indenture"), to which Indenture reference is made for a description of the property mortgaged, the nature and extent of the security, the rights of the holders of the bonds in respect thereof, the terms and conditions upon which the bonds are secured and the restrictions subject to which additional bonds secured thereby may be issued. To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the bonds, may be made with the consent of the Company by the affirmative vote, or with the written consent, of the holders of not less than 66 2/3% in principal amount of the bonds then outstanding, and by the affirmative vote, or with the written consent, of the holders of not less than 66 2/3% in principal amount of the bonds of any series then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of bonds then outstanding under the Indenture are so affected, evidenced, in each case, as provided in the Indenture; provided that any supplemental indenture may be modified in accordance with the provisions contained therein for its modification; and provided, further, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest or premium on, this bond, or the right of any bondholder to institute suit for the enforcement of any such payment on or after the respective due dates expressed in this bond, or reduce the percentage required for the taking of any such action. Any such affirmative vote of, or written consent given by, any holder of this bond is binding upon all subsequent holders hereof as provided in the Indenture.

In case an event of default as defined in the Indenture shall occur, the principal of all the bonds outstanding thereunder may become or be declared due and payable at the time, in the manner and with the effect provided in the Indenture.

At any time before May 15, 2029 (the "Par Call Date"), the bonds of this series may be redeemed at the option of the Company, in whole or in part and from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the bonds of this series to be redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on such bonds being redeemed that would be due if the bonds of this series matured on the Par Call Date (exclusive of interest accrued to the redemption date), discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, plus, in either case, accrued and unpaid interest on the principal amount of the bonds of this series being redeemed to, but excluding, the date of such redemption.

At any time on or after the Par Call Date, the bonds of this series may be redeemed at the option of the Company, in whole or in part and from time to time, at a redemption price equal to 100% of the principal amount of the bonds of this series to be redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, the date of such redemption.

"Business day" means any day other than a day on which banks in New York City are required or authorized to be closed.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the bonds of this series to be redeemed (assuming, for this purpose, that the bonds of this series matured on the Par Call Date), that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such bonds.

“Comparable Treasury Price” means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations as determined by the Company.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of Barclays Capital Inc., BNP Paribas Securities Corp., a Primary Treasury Dealer (as defined below) selected by PNC Capital Markets LLC and a Primary Treasury Dealer selected by SunTrust Robinson Humphrey, Inc., plus one other financial institution appointed by the Company at the time of any redemption, or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The bonds of this series are also subject to redemption for the Replacement Fund for bonds of this series provided for in the supplemental indenture dated as of August 14, 2019, providing for this series, or upon application of moneys arising from a taking of any of the mortgaged property by eminent domain or similar action, at any time or from time to time prior to maturity, at 100% of their principal amount, in each case together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

Redemption is in every case to be effected at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon at least ten, but not more than sixty, days' prior notice, given by mail as more fully provided in the Indenture.

If this bond or any portion hereof (\$2,000 and integral multiples of \$1,000 in excess thereof) is called for redemption and payment is duly provided, this bond or such portion thereof shall cease to bear interest from and after the date fixed for such redemption.

This bond is transferable, as provided in the Indenture, by the registered owner hereof in person or by duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this bond, and thereupon a new bond of the same series and of like aggregate principal amount will be issued to the transferee in exchange herefor as provided in the Indenture; or the registered owner of this bond, at his option, may surrender the same for cancellation at said office or agency of the Company and receive in exchange herefor the same aggregate principal amount of bonds of the same series of authorized denominations; all subject to the terms of the Indenture but without payment of any charges other than a sum sufficient to reimburse the Company for any stamp taxes or other governmental charges incident thereto.

This bond is a company obligation only and no recourse whatsoever, either directly or through the Company or any trustee, receiver, assignee or any other person, shall be had for the payment of the principal of or premium, if any, or interest on this bond, or for the enforcement of any claim based hereon, or otherwise in respect hereof or of the Indenture, against any promoter, subscriber to the capital stock, incorporator, or any past, present or future stockholder, member, officer or director of the Company as such, or of any successor or predecessor corporation or entity, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment, penalty, subscription or otherwise, any and all such liability of promoters, subscribers, incorporators, stockholders, members, officers and directors being waived and released by each successive holder hereof by the acceptance of this bond, and as a part of the consideration for the issue hereof, and being likewise waived and released by the terms of the Indenture.

[END OF BOND FORM]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with rights of survivorship and not as tenants in common

under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto (please insert Social Security or other identifying number of assignee)

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE

the within bond and all rights thereunder, hereby irrevocably constituting and appointing agent to transfer said bond on the books of the Company, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular without alteration or enlargement, or any change whatever.

Signature Guarantee: _____

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

FORM OF DUKE ENERGY CAROLINAS, LLC
FIRST AND REFUNDING MORTGAGE BOND, 3.20% SERIES DUE 2049

[FACE SIDE OF BOND]

[DEPOSITORY LEGEND, IF APPLICABLE]
DUKE ENERGY CAROLINAS, LLC

FIRST AND REFUNDING MORTGAGE BOND,
3.20% SERIES DUE 2049

No.
CUSIP No. 26442C AZ7
ISIN US26442CAZ77

§

Duke Energy Carolinas, LLC, a North Carolina limited liability company (hereinafter called the "Company"), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars on August 15, 2049 in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts, at the office or agency of the Company in the Borough of Manhattan, The City of New York, and to pay interest thereon at said office or agency from the interest payment date next preceding the date hereof to which interest on outstanding bonds of this series has been paid (unless the date hereof is prior to February 15, 2020, in which case from August 14, 2019, and unless the date hereof is subsequent to a record date (as defined below) and prior to the next succeeding February 15 or August 15, in which case from the next succeeding February 15 or August 15 as the case may be), at the rate of 3.20% per annum, in like coin or currency, semi-annually on February 15 and August 15, in each year, commencing February 15, 2020, until the principal hereof shall become due and payable. Such interest payments shall be made to the person in whose name this bond is registered at the close of business on the record date (as defined below) for such interest payment date, which will be (i) the close of business on the business day immediately preceding such interest payment date so long as the bonds of the 3.20% Series remain in book-entry only form or (ii) the fifteenth calendar day, whether or not a business day, immediately preceding such interest payment date if any of the bonds of the 3.20% Series does not remain in book-entry only form (each of (i) or (ii), a "record date") (subject to certain exceptions provided in the Indenture hereinafter mentioned), at his last address as it shall appear upon the bond register of the Company.

The provisions of this bond are continued on the reverse hereof and such continued provisions shall for all purposes have the same effect as though fully set forth in this place.

This bond shall not become or be valid or obligatory for any purpose until the Trustee shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, the Company has caused this instrument to be signed in its name by its President or one of its Vice Presidents, manually or by facsimile signature, and its company seal to be hereto affixed, or a facsimile thereof to be hereon engraved, lithographed or printed, and to be attested by the manual or facsimile signature of its Secretary or one of its Assistant Secretaries.

Dated:

DUKE ENERGY CAROLINAS, LLC

By:

Name:
Title:

ATTEST:

Name:
Title:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

The Bank of New York Mellon Trust Company, N.A.,
as Trustee

By: _____
Authorized Signatory

[REVERSE SIDE OF BOND]

This bond is one of the bonds of a series, designated specially as First and Refunding Mortgage Bonds, 3.20% Series due 2049, of an authorized issue of bonds of the Company, without limit as to aggregate principal amount, designated generally as First and Refunding Mortgage Bonds, all issued and to be issued under and equally and ratably secured by a First and Refunding Mortgage dated as of December 1, 1927, duly executed by Duke Power Company, a New Jersey corporation (hereinafter called the "New Jersey Company"), to Guaranty Trust Company of New York, as Trustee (The Bank of New York Mellon Trust Company, N.A., as successor trustee), as supplemented and modified by indentures supplemental thereto, including a supplemental indenture dated as of August 14, 2019 providing for said series (said First and Refunding Mortgage as so supplemented and modified being hereinafter referred to as the "Indenture"), to which Indenture reference is made for a description of the property mortgaged, the nature and extent of the security, the rights of the holders of the bonds in respect thereof, the terms and conditions upon which the bonds are secured and the restrictions subject to which additional bonds secured thereby may be issued. To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the bonds, may be made with the consent of the Company by the affirmative vote, or with the written consent, of the holders of not less than 66 2/3% in principal amount of the bonds then outstanding, and by the affirmative vote, or with the written consent, of the holders of not less than 66 2/3% in principal amount of the bonds of any series then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of bonds then outstanding under the Indenture are so affected, evidenced, in each case, as provided in the Indenture; provided that any supplemental indenture may be modified in accordance with the provisions contained therein for its modification; and provided, further, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest or premium on, this bond, or the right of any bondholder to institute suit for the enforcement of any such payment on or after the respective due dates expressed in this bond, or reduce the percentage required for the taking of any such action. Any such affirmative vote of, or written consent given by, any holder of this bond is binding upon all subsequent holders hereof as provided in the Indenture.

In case an event of default as defined in the Indenture shall occur, the principal of all the bonds outstanding thereunder may become or be declared due and payable at the time, in the manner and with the effect provided in the Indenture.

At any time before February 15, 2049 (the "Par Call Date"), the bonds of this series may be redeemed at the option of the Company, in whole or in part and from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the bonds of this series to be redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on such bonds being redeemed that would be due if the bonds of this series matured on the Par Call Date (exclusive of interest accrued to the redemption date), discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points, plus, in either case, accrued and unpaid interest on the principal amount of the bonds of this series being redeemed to, but excluding, the date of such redemption.

At any time on or after the Par Call Date, the bonds of this series may be redeemed at the option of the Company, in whole or in part and from time to time, at a redemption price equal to 100% of the principal amount of the bonds of this series to be redeemed plus accrued and unpaid interest on the principal amount being redeemed to, but excluding, the date of such redemption.

"Business day" means any day other than a day on which banks in New York City are required or authorized to be closed

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the bonds of this series to be redeemed (assuming, for this purpose, that the bonds of this series matured on the Par Call Date), that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such bonds.

“Comparable Treasury Price” means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations as determined by the Company.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of Barclays Capital Inc., BNP Paribas Securities Corp., a Primary Treasury Dealer (as defined below) selected by PNC Capital Markets LLC and a Primary Treasury Dealer selected by SunTrust Robinson Humphrey, Inc., plus one other financial institution appointed by the Company at the time of any redemption, or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The bonds of this series are also subject to redemption for the Replacement Fund for bonds of this series provided for in the supplemental indenture dated as of August 14, 2019, providing for this series, or upon application of moneys arising from a taking of any of the mortgaged property by eminent domain or similar action, at any time or from time to time prior to maturity, at 100% of their principal amount, in each case together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

Redemption is in every case to be effected at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon at least ten, but not more than sixty, days' prior notice, given by mail as more fully provided in the Indenture.

If this bond or any portion hereof (\$2,000 and integral multiples of \$1,000 in excess thereof) is called for redemption and payment is duly provided, this bond or such portion thereof shall cease to bear interest from and after the date fixed for such redemption.

This bond is transferable, as provided in the Indenture, by the registered owner hereof in person or by duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this bond, and thereupon a new bond of the same series and of like aggregate principal amount will be issued to the transferee in exchange herefor as provided in the Indenture; or the registered owner of this bond, at his option, may surrender the same for cancellation at said office or agency of the Company and receive in exchange herefor the same aggregate principal amount of bonds of the same series of authorized denominations; all subject to the terms of the Indenture but without payment of any charges other than a sum sufficient to reimburse the Company for any stamp taxes or other governmental charges incident thereto.

This bond is a company obligation only and no recourse whatsoever, either directly or through the Company or any trustee, receiver, assignee or any other person, shall be had for the payment of the principal of or premium, if any, or interest on this bond, or for the enforcement of any claim based hereon, or otherwise in respect hereof or of the Indenture, against any promoter, subscriber to the capital stock, incorporator, or any past, present or future stockholder, member, officer or director of the Company as such, or of any successor or predecessor corporation or entity, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment, penalty, subscription or otherwise, any and all such liability of promoters, subscribers, incorporators, stockholders, members, officers and directors being waived and released by each successive holder hereof by the acceptance of this bond, and as a part of the consideration for the issue hereof, and being likewise waived and released by the terms of the Indenture.

[END OF BOND FORM]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with rights of survivorship and not as tenants in common

under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto (please insert Social Security or other identifying number of assignee)

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE

the within bond and all rights thereunder, hereby irrevocably constituting and appointing agent to transfer said bond on the books of the Company, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular without alteration or enlargement, or any change whatever.

Signature Guarantee: _____

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Exhibit 5.1

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

August 14, 2019

Duke Energy Carolinas, LLC
550 S. Tryon Street
Charlotte, North Carolina 28202

Re: Duke Energy Carolinas, LLC \$450,000,000 First and Refunding Mortgage Bonds, 2.45% Series due 2029 and \$350,000,000 First and Refunding Mortgage Bonds, 3.20% Series due 2049

Ladies and Gentlemen:

I am Deputy General Counsel of Duke Energy Business Services LLC, the service company affiliate of Duke Energy Carolinas, LLC, a North Carolina limited liability company (the "Company"), and in such capacity I have acted as counsel to the Company in connection with the public offering of \$450,000,000 aggregate principal amount of the Company's First and Refunding Mortgage Bonds, 2.45% Series due 2029 and \$350,000,000 aggregate principal amount of the Company's First and Refunding Mortgage Bonds, 3.20% Series due 2049 (collectively, the "Securities") to be issued pursuant to a First and Refunding Mortgage, dated as of December 1, 1927, (the "Original Mortgage") between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), as amended and supplemented by various supplemental indentures including by the One-hundred and second Supplemental Indenture, dated as of August 14, 2019, relating to the Securities (the "Supplemental Indenture") (collectively, the "Mortgage"). On August 12, 2019, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Barclays Capital Inc., BNP Paribas Securities Corp., PNC Capital Markets LLC and SunTrust Robinson Humphrey, Inc., as representatives of the several underwriters named therein (the "Underwriters"), relating to the sale by the Company to the Underwriters of the Securities.

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

I am a member of the bar of the State of North Carolina and my opinion set forth herein is limited to North Carolina limited liability company law. I do not express any opinion with respect to any other law of the State of North Carolina or any other jurisdiction, or as to the effect thereof on the opinion herein stated. The Mortgage and the forms of Securities do not include provisions specifying the governing law. For purposes of my opinions, I have assumed that the Mortgage and the Securities are governed exclusively by the internal substantive laws and judicial interpretations of the State of North Carolina.

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

- (a) the registration statement on Form S-3, as amended (File No. 333-213765-05) of the Company originally filed on September 23, 2016, and subsequently filed on January 26, 2017 and on March 25, 2019, 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 March 25, 2019, which forms a part of and is included in the Registration Statement in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
- (c) the preliminary prospectus supplement, dated August 12, 2019, relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
- (d) the prospectus supplement, dated August 12, 2019, relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
- (e) the Issuer Free Writing Prospectus filed with the Commission on August 12, 2019 pursuant to Rule 433(d) of the Securities Act and Section 5(e) of the Underwriting Agreement;
- (f) the Articles of Organization of the Company, dated as of April 3, 2006, as amended;
- (g) the Limited Liability Company Operating Agreement of the Company, dated as of April 3, 2006, as amended;
- (h) an executed copy of the Underwriting Agreement;
- (i) specimens of the Securities;
- (j) an executed copy of the Mortgage;
- (k) an executed copy of the Supplemental Indenture;
- (l) resolutions adopted by the Board of Directors of the Company, effective September 16, 2016, relating to the preparation and filing with the Commission of the Registration Statement and the issuance of the Company's securities; and
- (m) the written consent of Assistant Treasurer, John L. Sullivan, III, effective August 12, 2019, relating to the offering of the Securities.

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

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

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

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

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

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

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

Very truly yours,

/s/ Robert T. Lucas III

Robert T. Lucas III, Esq.

Exhibit 99.1

Execution Version

DUKE ENERGY CAROLINAS, LLC

FIRST AND REFUNDING MORTGAGE BONDS,
\$450,000,000 2.45% SERIES DUE 2029
\$350,000,000 3.20% SERIES DUE 2049

UNDERWRITING AGREEMENT

August 12, 2019

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, New York 10019

PNC Capital Markets LLC
300 Fifth Avenue, 10th Floor
Pittsburgh, Pennsylvania 15222

SunTrust Robinson Humphrey, Inc.
3333 Peachtree Road NE
Atlanta, Georgia 30326

As Representatives of the several Underwriters

Ladies and Gentlemen:

1. *Introductory.* DUKE ENERGY CAROLINAS, LLC, a North Carolina limited liability company (the "**Company**"), proposes, subject to the terms and conditions stated herein, to issue and sell (i) \$450,000,000 aggregate principal amount of First and Refunding Mortgage Bonds, 2.45% Series due 2029 (the "**2029 Bonds**") and (ii) \$350,000,000 aggregate principal amount of First and Refunding Mortgage Bonds, 3.20% Series due 2049 (the "**2049 Bonds**") and together with the 2029 Bonds, the "**Bonds**"), each to be issued under and secured by a First and Refunding Mortgage, dated as of December 1, 1927 (the "**Original Mortgage**"), between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "**Trustee**"), as amended and supplemented by various supplemental indentures, including the One-hundred and second Supplemental Indenture, to be dated as of August 14, 2019 (the "**Supplemental Indenture**") (the Original Mortgage, as so amended and supplemented, being hereinafter called the "**Mortgage**"). Barclays Capital Inc., BNP Paribas Securities Corp., PNC Capital Markets LLC and SunTrust Robinson Humphrey, Inc. (the "**Representatives**") are acting as representatives of the several underwriters named in Schedule A hereto (together with the Representatives, the "**Underwriters**"). The Company understands that the several Underwriters propose to offer the Bonds for sale upon the terms and conditions contemplated by (i) this Agreement and (ii) the Base Prospectus, the Preliminary Prospectus and the Permitted Free Writing Prospectus (each as defined below) issued at or prior to the Applicable Time (as defined below) (the documents referred to in the foregoing subclause (ii) are referred to herein as the "**Pricing Disclosure Package**").

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

- (a) A registration statement, as amended (No. 333-213765-05), including a prospectus, relating to the Bonds and certain other securities has been filed with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933, as amended (the "**1933 Act**"). Such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, became effective upon filing with the Commission pursuant to Rule 462 of the rules and regulations of the Commission under the 1933 Act (the "**1933 Act Regulations**"), and no stop order suspending the effectiveness of such registration statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the 1933 Act has been initiated or threatened by the Commission (if prepared, any preliminary prospectus supplement specifically relating to the Bonds immediately prior to the Applicable Time included in such registration statement or filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations being hereinafter called a "**Preliminary Prospectus**"); the term "**Registration Statement**" means the registration statement as deemed revised pursuant to Rule 430B(f)(1) of the 1933 Act Regulations on the date of such registration statement's effectiveness for purposes of Section 11 of the 1933 Act, as such section applies to the Company and the Underwriters for the Bonds pursuant to Rule 430B(f)(2) of the 1933 Act Regulations (the "**Effective Date**"), including all exhibits thereto and including the documents incorporated by reference in the prospectus contained in the Registration Statement at the time such part of the Registration Statement became effective; the term "**Base Prospectus**" means the prospectus filed with the Commission on the date hereof by the Company; and the term "**Prospectus**" means the Base Prospectus together with the prospectus supplement specifically relating to the Bonds prepared in accordance with the provisions of Rule 430B and promptly filed after execution and delivery of this Agreement pursuant to Rule 430B or Rule 424(b) of the 1933 Act Regulations; any information included in such Prospectus that was omitted from the Registration Statement at the time it became effective but that is deemed to be a part of and included in such registration statement pursuant to Rule 430B is referred to as "**Rule 430B Information**;" and any reference herein to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein, prior to the date hereof; any reference to any amendment or supplement to any Preliminary Prospectus or Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the 1934 Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement. For purposes of this Agreement, the term "**Applicable Time**" means 3:55 p.m. (New York City time) on the date hereof.

- (b) The Registration Statement, the Permitted Free Writing Prospectus specified on Schedule B hereto, the Preliminary Prospectus and the Prospectus conform, and any amendments or supplements thereto will conform, in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations; and (i) the Registration Statement, as of its original effective date, as of the date of any amendment, and at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations, and at the Closing Date, did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (ii) (A) the Pricing Disclosure Package, as of the Applicable Time, did not, (B) the Prospectus and any amendment or supplement thereto, as of their dates, will not, and (C) the Prospectus as of the Closing Date will not, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the Company makes no warranty or representation to the Underwriters with respect to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Permitted Free Writing Prospectus, any Preliminary Prospectus or the Prospectus.
- (c) Any Permitted Free Writing Prospectus specified on Schedule B hereto as of its issue date and at all subsequent times through the completion of the public offer and sale of the Bonds or until any earlier date that the Company notified or notifies the Underwriters pursuant to Section 5(f) hereof did not, does not and will not include any information that conflicts with the information (not superseded or modified as of the Effective Date) contained in the Registration Statement, any Preliminary Prospectus or the Prospectus.
- (d) At the earliest time the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Bonds, the Company was not an "ineligible issuer" as defined in Rule 405 of the 1933 Act Regulations. The Company is, and was at the time of the initial filing of the Registration Statement, eligible to use Form S-3 under the 1933 Act.
- (e) The documents and interactive data in eXtensible Business Reporting Language ("XBRL") incorporated or deemed to be incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, at the time they were filed or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together with the other information in the Prospectus, (i) at the time the Registration Statement became effective, (ii) at the Applicable Time and (iii) on the Closing Date did not, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- (f) The Company's most recent Annual Report filed on Form 10-K meets the conditions specified in General Instruction I(1)(a) and (b) of the General Instructions for Form 10-K, and the Company's most recent Quarterly Report filed on Form 10-Q meets the conditions specified in General Instruction H(1) of the General Instructions for Form 10-Q.
- (g) The compliance by the Company with all of the provisions of this Agreement has been duly authorized by all necessary limited liability company action and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which it is bound or to which any of its properties or assets is subject that would have a material adverse effect on the business, financial condition or results of operations of the Company, nor will such action result in any violation of the provisions of the Company's Articles of Organization, the Company's Limited Liability Company Operating Agreement or other governing document of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its properties that would have a material adverse effect on the business, financial condition or results of operations of the Company; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, except for authorization by the North Carolina Utilities Commission and the Public Service Commission of South Carolina and the registration under the 1933 Act of the Bonds, qualification under the Trust Indenture Act of 1939, as amended (the "1939 Act") and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters.
- (h) This Agreement has been duly authorized, executed and delivered by the Company.
- (i) The Original Mortgage has been duly authorized, executed and delivered by the Company and duly qualified under the 1939 Act and the Supplemental Indenture has been duly authorized and when executed and delivered by the Company and, assuming the due authorization, execution and delivery thereof by the Trustee, the Mortgage constitutes a valid and legally binding instrument of the Company enforceable against the Company in accordance with its terms, subject to the qualifications that the enforceability of the Company's obligations under the Mortgage may be limited by (x) the laws of the states of North Carolina and South Carolina (in which states all physical property of the Company subject to the Mortgage is located except for certain interconnection lines) with respect to or affecting the remedies to enforce the security provided by the Mortgage, which laws do not make inadequate the remedies necessary for the realization of the benefits of such security, and by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting mortgagees' and other creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and (y) that the provisions of the Mortgage subjecting to the lien thereof the revenues and income from the mortgaged property may not be effective prior to the delivery or taking of possession of such revenues or income or of the mortgaged property by or on behalf of the Trustee.

- (j) The Bonds have been duly authorized and when executed by the Company, and when authenticated by the Trustee, in the manner provided in the Mortgage and delivered against payment therefor, will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting mortgagees' and other creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and are entitled to the benefits and security afforded by the Mortgage in accordance with the terms of the Mortgage and the Bonds, except as set forth in paragraph (i) above.
- (k) Any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument set forth on Annex A hereto or 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, 2018 or any subsequent Quarterly Report on Form 10-Q of the Company or any Current Report on Form 8-K of the Company with an execution or filing date after December 31, 2018 are all indentures, mortgages, deeds of trust, loan agreements or other agreements or instruments that are material to the Company and its subsidiaries taken as a whole.
- (l) The Company has no "significant subsidiaries" within the meaning of Rule 1-02 of Regulation S-X under the 1933 Act.

3. *Purchase, Sale and Delivery of Bonds.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of (i) 99.227% of the principal amount of the 2029 Bonds and (ii) 98.857% of the principal amount of the 2049 Bonds (and in the manner set forth below), the respective principal amounts of Bonds set forth opposite the name of each Underwriter on Schedule A hereto plus the respective principal amounts of additional Bonds which each such Underwriter may become obligated to purchase pursuant to the provisions of Section 8 hereof. The Underwriters hereby agree to make a payment to the Company in an aggregate amount equal to \$1,337,500 including in respect of expenses incurred by the Company in connection with the offering of the Bonds.

Payment of the purchase price for the Bonds to be purchased by the Underwriters and the payment referred to above shall be made to the Company by wire transfer of immediately available funds, payable to the order of the Company against delivery of the Bonds, in fully registered forms, to you or upon your order at 10:00 a.m., New York City time, on August 14, 2019 or such other time and date as shall be mutually agreed upon in writing by the Company and the Representatives (the "**Closing Date**"). The 2029 Bonds and the 2049 Bonds shall each be delivered in the form of one or more global certificates in aggregate denomination equal to the aggregate principal amount of the respective 2029 Bonds and 2049 Bonds upon original issuance, and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"). All documents referred to herein that are to be delivered at the Closing Date shall be delivered at that time at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019.

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

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

- (a) The Company will cause any Preliminary Prospectus and the Prospectus to be filed pursuant to, and in compliance with, Rule 424(b) of the 1933 Act Regulations, and advise the Underwriters promptly of the filing of any amendment or supplement to the Registration Statement, any Preliminary Prospectus or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement, and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.
- (b) If at any time when a prospectus relating to the Bonds (or the notice referred to in Rule 173(a) of the 1933 Act Regulations) is required to be delivered under the 1933 Act any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Pricing Disclosure Package or the Prospectus to comply with the 1933 Act, the Company promptly will prepare and file with the Commission an amendment, supplement or an appropriate document pursuant to Section 13 or 14 of the 1934 Act which will correct such statement or omission or which will effect such compliance.
- (c) The Company, during the period when a prospectus relating to the Bonds is required to be delivered under the 1933 Act, will timely file all documents required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act.

- (d) Without the prior consent of the Underwriters, the Company has not made and will not make any offer relating to the Bonds that would constitute a "free writing prospectus" as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus (as defined below); each Underwriter, severally and not jointly, represents and agrees that, without the prior consent of the Company, it has not made and will not make any offer relating to the Bonds that would constitute a "free writing prospectus" as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus or a free writing prospectus that is not required to be filed by the Company pursuant to Rule 433 of the 1933 Act Regulations ("**Rule 433**"); any such free writing prospectus (which shall include the pricing term sheet referred to in Section 5(e) below), the use of which has been consented to by the Company and the Underwriters, is specified in Item 3 of Schedule B and herein is called a "**Permitted Free Writing Prospectus**." The Company represents that it has treated or agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping.
- (e) The Company agrees to prepare a pricing term sheet specifying the terms of the Bonds not contained in any Preliminary Prospectus, substantially in the form of Schedule C hereto and approved by the Representatives on behalf of the Underwriters, and to file such pricing term sheet as an "issuer free writing prospectus" pursuant to Rule 433 prior to the close of business two business days after the date hereof.
- (f) The Company agrees that if at any time following the issuance of a Permitted Free Writing Prospectus any event occurs as a result of which such Permitted Free Writing Prospectus would conflict with the information (not superseded or modified as of the Effective Date) in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Underwriters and, if requested by the Underwriters, will prepare and furnish without charge to each Underwriter a free writing prospectus or other document, the use of which has been consented to by the Underwriters, which will correct such conflict, statement or omission.
- (g) 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 1933 Act, which need not be certified by independent certified public accountants unless required by the 1933 Act) covering (i) a twelve-month period beginning not later than the first day of the 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.
- (h) The Company will furnish to you, without charge, copies of the Registration Statement (three of which will include all exhibits other than those incorporated by reference), the Pricing Disclosure Package and the Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as you reasonably request.

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

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

- (a) The Prospectus shall have been filed by the Company with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for filing by the 1933 Act Regulations and in accordance herewith and each Permitted Free Writing Prospectus shall have been filed by the Company with the Commission within the applicable time periods prescribed for such filings by, and otherwise in compliance with, Rule 433.

- (b) At or after the Applicable Time and prior to the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the 1933 Act shall have been instituted or, to the knowledge of the Company or you, shall be threatened by the Commission.
- (c) At or after the Applicable Time and prior to the Closing Date, the rating assigned by Moody's Investors Service, Inc. or S&P Global Ratings (or any of their successors) to any debt securities or preferred stock of the Company as of the date of this Agreement shall not have been lowered.
- (d) Since the respective most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus and up to the Closing Date, there shall not have been any material adverse change in the condition of the Company, financial or otherwise, except as reflected in or contemplated by the Pricing Disclosure Package and the Prospectus, and, since such dates and up to the Closing Date, there shall not have been any material transaction entered into by the Company other than transactions contemplated by the Pricing Disclosure Package and the Prospectus and transactions in the ordinary course of business, the effect of which in your reasonable judgment is so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Pricing Disclosure Package and the Prospectus.
- (e) You shall have received an opinion of Robert T. Lucas III, Esq., Deputy General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation (who in such capacity provides legal services to the Company) (or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in-house" counsel), dated the Closing Date, to the effect that:
 - (i) The Company has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of North Carolina, with power and authority (limited liability company and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement.
 - (ii) The Company is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure 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.

- (iii) The Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the 1933 Act.
- (iv) The descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and such counsel does not know of any litigation or any legal or governmental proceeding instituted or threatened against the Company or any of its properties that would be required to be disclosed in the Registration Statement, the Pricing Disclosure Package or the Prospectus and is not so disclosed.
- (v) This Agreement has been duly authorized, executed and delivered by the Company.
- (vi) The issue and sale of the Bonds by the Company and the execution, delivery and performance by the Company of this Agreement, the Mortgage and the Bonds will not contravene any of the provisions of the Articles of Organization or the Operating Agreement, the North Carolina Limited Liability Company Act or any statute or any order, rule or regulation of which such counsel is aware of any court or governmental agency or body having jurisdiction over the Company or any of its 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 to which the Company is a party or by which it or its property is bound or to which any of its property or assets is subject or any instrument filed or incorporated by reference as an exhibit to the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2018 or any subsequent Quarterly Report on Form 10-Q of the Company or any Current Report on Form 8-K of the Company with an execution or filing date after December 31, 2018 or identified in Annex A to this Agreement, which affects in a material way the Company's ability to perform its obligations under this Agreement, the Mortgage or the Bonds.
- (vii) The North Carolina Utilities Commission and the Public Service Commission of South Carolina have issued appropriate orders with respect to the issuance and sale of the Bonds in accordance with this Agreement, and, to the best of such counsel's knowledge, such orders are still in effect and the issuance and sale of the Bonds to the Underwriters are in conformity with the terms of such orders.

- (viii) The Mortgage has been duly authorized, executed and delivered by the Company and qualified under the 1939 Act, and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes a valid and legally binding instrument of the Company, enforceable against the Company in accordance with its terms, except (x) as the same may be limited by the laws of the States of North Carolina and South Carolina (in which States such counsel is advised all physical property of the Company subject to the Mortgage is located except for certain interconnection lines) with respect to or affecting the remedies to enforce the security provided by the Mortgage, which laws do not, in the opinion of such counsel, make inadequate the remedies necessary for the realization of the benefits of such security, and (y) that the provisions of the Mortgage subjecting to the lien thereof the revenues and income from the mortgaged property may not be effective prior to the delivery or taking of possession of such revenues or income or of the mortgaged property by or on behalf of the Trustee.
- (ix) The Bonds have been duly authorized, executed and issued by the Company and, when the same have been authenticated by the Trustee as specified in the Mortgage and delivered against payment therefor, will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, and are entitled to the benefits and security afforded by the Mortgage in accordance with the terms of the Mortgage and the Bonds, except as set forth in paragraph (viii) above.
- (x) The Company has good title to all properties owned by it, subject only (a) to the lien of the Mortgage, (b) to permitted encumbrances as defined in the Mortgage, (c) to minor exceptions and defects which do not, in the aggregate, in the opinion of such counsel, materially interfere with the use by the Company of such properties for the purposes for which they are held, materially detract from the value of said properties or in any material way impair the security afforded by the Mortgage, and (d) in the case of the Company's existing hydroelectric plants, to provisions of licenses issued by the Federal Power Commission or the Federal Energy Regulatory Commission and to the provisions of the Federal Power Act.
- (xi) The Mortgage complies as to form with all applicable laws of the states wherein the properties subjected or intended to be subjected to the lien of the Mortgage are located, including all applicable recording laws, and constitutes a valid, direct first mortgage lien on all properties and franchises purported to be owned by the Company, except such property as is specifically excepted from the lien thereof, subject only to the liens, charges and encumbrances stated in paragraph (x) above; all fixed electric properties hereafter acquired by the Company will, upon such acquisition, become subject to the lien of the Mortgage, subject, however, to liens or charges of the character permitted to exist by the Mortgage, and to liens, if any, existing or placed on such property at the time of the acquisition thereof by the Company, and the description of such property and franchises in the Mortgage is adequate to constitute a lien on such property and franchises of the Company except as aforesaid.

- (xii) The Original Mortgage and the supplemental indentures thereto, other than the Supplemental Indenture, have been duly recorded or filed for recordation in all such offices as are necessary to perfect and to preserve and protect the lien of the Mortgage upon the property intended to be subjected to the lien thereof, and upon the filing and recording of the Supplemental Indenture, no other recording or any periodic or other refiling or rerecording of the Mortgage is or will be required in order to perfect and to preserve and protect the lien of the Mortgage upon such property, and there are no mortgage, recording or other taxes required to be paid in connection with such filing and recording or in connection with the issuance of the Bonds other than customary filing and recording fees.
- (xiii) No consent, approval, authorization, order, registration or qualification of or with any federal, North Carolina or South Carolina governmental agency or body or, to such counsel's knowledge, any federal or North Carolina court, which has not been obtained or taken and is not in full force and effect, is required to authorize or for the Company to consummate the transactions contemplated by this Agreement, except for such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters.

Such counsel may state that such counsel's opinions in paragraphs (viii) and (ix) above are subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting mortgagees' or other creditors' rights generally, and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and to an implied covenant of good faith and fair dealing. Such counsel may also state that such counsel's opinion in paragraph (x) above is based upon the Company's title insurance. Such counsel shall state that nothing has come to such counsel's attention that has caused such counsel to believe that each document incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, when filed, was not, on its face, appropriately responsive, in all material respects, to the requirements of the 1934 Act and the 1934 Act Regulations. Such counsel shall also state that nothing has come to such counsel's attention that has caused such counsel to believe that (i) the Registration Statement as of the effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Pricing Disclosure Package at the Applicable Time contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (iii) that the Prospectus as of its date or at the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the 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, such counsel does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in or incorporated by reference into the Registration Statement, the Pricing Disclosure Package or the Prospectus and does not express any opinion or belief as to (i) the financial statements or other financial and accounting data contained or incorporated by reference therein, or excluded therefrom, including XBRL interactive data, (ii) the statement of the eligibility and qualification of the Trustee included in the Registration Statement (the "Form T-1") or (iii) the information in the Prospectus under the caption "Book-Entry System."

In rendering the foregoing opinion, such counsel may state that such counsel 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 the law of the State of South Carolina, and may rely as to all matters of the law of the State of South Carolina on the opinion of Karol P. Mack, Esq., Deputy General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation (who in such capacity provides legal services to the Company) (or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in-house" counsel). Such counsel may also state that such counsel has relied as to certain factual matters on information obtained from public officials, officers of the Company and other sources believed by such counsel to be reliable.

- (f) You shall have received an opinion of Hunton Andrews Kurth LLP, counsel to the Company, dated the Closing Date, to the effect that:
- (i) The statements set forth (i) under the caption "Description of First and Refunding Mortgage Bonds" in the Base Prospectus and (ii) under the caption "Description of the Mortgage Bonds" in the Pricing Disclosure Package and the Prospectus, insofar as such statements purport to summarize certain provisions of the Mortgage and the Bonds, fairly summarize such provisions in all material respects.
 - (ii) No Governmental Approval, which has not been obtained or taken and is not in full force and effect, is required to authorize, or is required for, the execution or delivery of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby.
 - (iii) The Company is not and, solely after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Prospectus, will not be subject to registration and regulation as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.
 - (iv) The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated thereby, including the issuance and sale of the Bonds, will not violate or conflict with, or result in any contravention of, any Applicable Laws of the States of North Carolina and New York.

- (v) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Underwriting," insofar as such statements purport to summarize certain provisions of this Agreement, fairly summarize such provisions in all material respects.
- (vi) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Certain U.S. Federal Income Tax Considerations for Non-U.S. Holders," insofar as such statements purport to constitute summaries of matters of United States federal income tax law, constitute accurate and complete summaries, in all material respects, subject to the qualifications set forth therein.

In rendering the foregoing opinions, Hunton Andrews Kurth LLP may state that (i) "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 because of such parties' legal or regulatory status or because of any other facts specifically pertaining to such parties; (ii) "Governmental Authorities" means any court, regulatory body, administrative agency or governmental body of the States of North Carolina and New York having jurisdiction over the Company under Applicable Laws and the Federal Energy Regulatory Commission, but excluding the North Carolina Utilities Commission and the New York State Public Service Commission; and (iii) "Applicable Laws" means those laws, rules and regulations of the States of North Carolina and New York that, in such counsel's experience, are normally applicable to transactions of the type contemplated by this Agreement (other than state securities or blue sky laws, antifraud laws, the rules and regulations of the Financial Industry Regulatory Authority, Inc., the North Carolina Public Utilities Act, the rules and regulations of the North Carolina Utilities Commission and the New York State Public Service Commission and the New York State Public Service Law), but without such counsel having made any special investigation as to the applicability of any specific law, rule or regulation, and the Federal Power Act and the rules and regulations of the Federal Energy Regulatory Commission thereunder. In addition, such counsel may state that it has relied as to certain factual matters on information obtained from public officials, officers and representatives of the Company and that the signatures on all documents examined by such counsel are genuine, assumptions which such counsel shall not independently verified.

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

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

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

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

- (g) You shall have received a letter from Sidley Austin llp, counsel for the Underwriters, dated the Closing Date, with respect to such opinions and statements as you may reasonably request, and the Company shall have furnished to such counsel such documents as it may request for the purpose of enabling it to pass upon such matters. In giving its opinion, Sidley Austin llp may rely on the opinion of Robert T. Lucas III, Esq. as to matters of North Carolina law and on the opinion of Karol P. Mack, Esq., Deputy General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation (or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in-house" counsel) as to matters of South Carolina law.
- (h) On or after the date hereof, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally or of the securities of the Company or Duke Energy Corporation, on the New York Stock Exchange LLC; or (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities or a material disruption in commercial banking services or securities settlement or clearance services in the United States; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this subsection (h) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus. In such event there shall be no liability on the part of any party to any other party except as otherwise provided in Section 7 hereof and except for the expenses to be borne by the Company as provided in Section 5(j) hereof.

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

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

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

- (i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto) including the Rule 430B Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission or such alleged statement or omission was made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus;

- (ii) against any and all loss, liability, claim, damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and
- (iii) against any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) of this subsection 7(a).

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

- (b) Each Underwriter severally 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 1933 Act to the same extent as the indemnity contained in subsection (a) of this Section 7, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Company or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each person so indemnified shall have the rights and duties given to the Underwriters, by the provisions of subsection (a) of this Section.
- (c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

- (d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total compensation received by the Underwriters in respect of the underwriting discount as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Bonds underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

8. *Default by One or More of the Underwriters.* (a) If any Underwriter shall default in its obligation to purchase the principal amount of the 2029 Bonds or the 2049 Bonds, as applicable, which it has agreed to purchase hereunder on the Closing Date, you may in your discretion arrange for you or another party or other parties to purchase such 2029 Bonds and/or 2049 Bonds, as applicable, on the terms contained herein. If within twenty-four hours after such default by any Underwriter you do not arrange for the purchase of such Bonds, then the Company shall be entitled to a further period of twenty-four hours within which to procure another party or other parties satisfactory to you to purchase such Bonds on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Bonds, or the Company notifies you that it has so arranged for the purchase of such Bonds, you or the Company shall have the right to postpone such Closing Date for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Pricing Disclosure Package or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement, the Pricing Disclosure Package or the Prospectus which may be required. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section 8 with like effect as if such person had originally been a party to this Agreement with respect to such Bonds.

- (b) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains unpurchased does not exceed one-tenth of the aggregate amount of all the Bonds to be purchased at such Closing Date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the amounts of Bonds which such Underwriter agreed to purchase hereunder at such Closing Date and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the amounts of Bonds which such Underwriter agreed to purchase hereunder) of the Bonds of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.
- (c) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains unpurchased exceeds one-tenth of the aggregate amount of all the Bonds to be purchased at such Closing Date, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase the Bonds of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company as provided in Section 5(j) hereof and the indemnity and contribution agreement in Section 7 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

9. *Representations and Indemnities to Survive Delivery.* The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or the Company, or any of their respective officers or directors or any controlling person referred to in Section 7 hereof, and will survive delivery of and payment for the Bonds.

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

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

12. Recognition of the U.S. Special Resolution Regimes.

(i) In the event that any Underwriter that is a Covered Entity (as defined below) becomes subject to a proceeding under a U.S. Special Resolution Regime (as defined below), the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(ii) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate (as defined below) of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights (as defined below) under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 12:

“**BHC Act Affiliate**” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“**Covered Entity**” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"**U.S. Special Resolution Regime**" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

13. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed or telecopied and confirmed to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax no.: (646) 834-8133), BNP Paribas Securities Corp., 787 Seventh Avenue, New York, New York 10019, Attention: Syndicate Desk (e-mail: new.york.syndicate@bnpparibas.com), PNC Capital Markets LLC, 300 Fifth Avenue, 10th Floor, Pittsburgh, Pennsylvania 15222, Attention: Debt Capital Markets, Transaction Execution (Fax no.: (412) 762-2760), or SunTrust Robinson Humphrey, Inc., 3333 Peachtree Road NE, Atlanta, Georgia 30326, Attention: Investment Grade Debt Capital Markets (Fax no.: (404) 926-5027); or if sent to the Company, will be mailed or telecopied and confirmed to it at 550 South Tryon Street, Charlotte, North Carolina 28202 (Fax no.: (980) 373-4723), attention of Assistant Treasurer. Any such communications shall take effect upon receipt thereof.

14. *Business Day.* As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

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

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

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

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

Very truly yours,

Duke Energy Carolinas, LLC

By: /s/ John L. Sullivan III

Name: John L. Sullivan III

Title: Assistant Treasurer

[Remainder of page left blank intentionally]

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

Barclays Capital Inc.
BNP Paribas Securities Corp.
PNC Capital Markets LLC
SunTrust Robinson Humphrey, Inc.

On behalf of each of the Underwriters

Barclays Capital Inc.

By: /s/ Robert Stowe
Name: Robert Stowe
Title: Managing Director

BNP Paribas Securities Corp.

By: /s/ Pasquale A. Perraglia IV
Name: Pasquale A. Perraglia IV
Title: Director

PNC Capital Markets LLC

By: /s/ Valerie Shadeck
Name: Valerie Shadeck
Title: Director

SunTrust Robinson Humphrey, Inc.

By: /s/ Robert Nordlinger
Name: Robert Nordlinger
Title: Director

SCHEDULE A

Underwriter	Principal Amount of 2029 Bonds to be Purchased	Principal Amount of 2049 Bonds to be Purchased
Barclays Capital Inc.	\$ 94,500,000	\$ 73,500,000
BNP Paribas Securities Corp.	94,500,000	73,500,000
PNC Capital Markets LLC	94,500,000	73,500,000
SunTrust Robinson Humphrey, Inc.	94,500,000	73,500,000
BNY Mellon Capital Markets, LLC	22,500,000	17,500,000
Santander Investment Securities Inc.	22,500,000	17,500,000
The Williams Capital Group, L.P.	22,500,000	17,500,000
Drexel Hamilton, LLC	2,250,000	1,750,000
Mischler Financial Group, Inc.	2,250,000	1,750,000
Total	\$ 450,000,000	\$ 350,000,000

SCHEDULE B

PRICING DISCLOSURE PACKAGE

- 1) Base Prospectus
- 2) Preliminary Prospectus Supplement dated August 12, 2019
- 3) Permitted Free Writing Prospectus
 - a) Pricing Term Sheet attached as Schedule C hereto

SCHEDULE C

*Filed pursuant to Rule 433
August 12, 2019
Relating to
Preliminary Prospectus Supplement dated August 12, 2019 to
Prospectus dated March 25, 2019
Registration Statement No. 333-213765-05*

**Duke Energy Carolinas, LLC
First and Refunding Mortgage Bonds,
\$450,000,000 2.45% Series due 2029
\$350,000,000 3.20% Series due 2049**

Pricing Term Sheet

Issuer:	Duke Energy Carolinas, LLC	
Trade Date:	August 12, 2019	
Settlement Date:	August 14, 2019; T+2	
Security Description:	First and Refunding Mortgage Bonds, 2.45% Series due 2029 (the "2029 Bonds")	First and Refunding Mortgage Bonds, 3.20% Series due 2049 (the "2049 Bonds")
Interest Payment Dates:	February 15 and August 15, beginning on February 15, 2020	February 15 and August 15, beginning on February 15, 2020
Principal Amount:	\$450,000,000	\$350,000,000
Maturity Date:	August 15, 2029	August 15, 2049
Price to Public:	99.877% per 2029 Bond, plus accrued interest, if any, from August 14, 2019	99.732% per 2049 Bond, plus accrued interest, if any, from August 14, 2019
Coupon:	2.45%	3.20%
Benchmark Treasury:	1.625% due August 15, 2029	2.875% due May 15, 2049
Benchmark Treasury Price:	99 - 26+	116 - 24
Benchmark Treasury Yield:	1.644%	2.114%
Spread to Benchmark Treasury:	+82 bps	+110 bps
Yield to Maturity:	2.464%	3.214%

Redemption Provisions/ Make-Whole Call:	At any time before May 15, 2029 (which is the date that is three months prior to maturity of the 2029 Bonds (the "2029 Par Call Date")), redeemable at the Treasury Rate + 15 bps. At any time on or after the 2029 Par Call Date, redeemable at par.	At any time before February 15, 2049 (which is the date that is six months prior to maturity of the 2049 Bonds (the "2049 Par Call Date")), redeemable at the Treasury Rate + 20 bps. At any time on or after the 2049 Par Call Date, redeemable at par.
CUSIP / ISIN:	26442CAY0 / US26442CAY03	26442CAZ7 / US26442CAZ77
Joint Book-Running Managers:	Barclays Capital Inc. BNP Paribas Securities Corp. PNC Capital Markets LLC SunTrust Robinson Humphrey, Inc.	
Co-Managers:	BNY Mellon Capital Markets, LLC Santander Investment Securities Inc. The Williams Capital Group, L.P.	
Junior Co-Managers:	Drexel Hamilton, LLC Mischler Financial Group, Inc.	

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Barclays Capital Inc. toll-free at (888) 603-5847, BNP Paribas Securities Corp. toll-free at (800) 854-5674, PNC Capital Markets LLC toll-free at (855) 881-0697, or SunTrust Robinson Humphrey, Inc. toll-free at (800) 685-4786.

Annex A

Material Agreements

\$425,000,000 Second Amended and Restated Credit Agreement, dated as of December 11, 2015, among Duke Energy Receivables Finance Company, LLC, as Borrower, the Lenders listed therein and Mizuho Bank, Ltd., as Administrative Agent, as amended.

Amended and Restated Servicing Agreement, dated as of October 18, 2013, among Duke Energy Receivables Finance Company, LLC, as Buyer, Duke Energy Carolinas, LLC, as initial Servicer, and Mizuho Bank, Ltd. (as successor to Citibank, N.A.), as Administrative Agent, as amended.

Amended and Restated Receivables Purchase Agreement, dated as of October 18, 2013, between Duke Energy Carolinas, LLC, as Seller, and Duke Energy Receivables Finance Company, LLC, as Buyer, as amended.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 23, 2019

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-15929	PROGRESS ENERGY, INC. (a North Carolina corporation) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-2155481

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))

Securities registered pursuant to Section 12(b) of the Act:

N/A

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.

SECTION 7 - REGULATION FD

Item 7.01 Regulation FD Disclosure.

The information in this report (including the exhibit) is furnished pursuant to Item 7.01 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The furnishing of this report is not intended to constitute a determination by Progress Energy, Inc. ("Progress Energy") that the information is material or that the dissemination of the information is required by Regulation FD.

On August 23, 2019, Progress Energy completed a Quarterly Report to Holders of Contingent Value Obligations for the Quarter Ended June 30, 2019 (the "CVO Report"). A copy of the CVO Report is being furnished as Exhibit 99.1, which is incorporated by reference into this Item 7.01.

Progress Energy regards any information provided in the CVO Report to be current and accurate only as of the date of the CVO Report and specifically disclaims any duty to update such information unless it is necessary to do so in accordance with applicable law.

This report, including the CVO Report, contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve estimates, projections, goals, forecasts, assumptions, risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in or implied by the forward-looking statements. Examples of factors that you should consider with respect to any forward-looking statements made throughout this document include, but are not limited to, the following: Progress Energy's continued ability to utilize Internal Revenue Code Section 29/45K (Section 29/45K) tax credits related to its former coal-based solid synthetic fuels businesses, cash flows derived from the synthetic fuels plants, assumptions regarding utilization of Section 29/45K tax credits considering ordering rules, assumptions regarding successful and timely resolution of future federal tax examinations and the impact on the timing of tax credit utilization resulting from Progress Energy's merger with Duke Energy Corporation on July 2, 2012. All such factors are difficult to predict, contain uncertainties that may materially affect actual results and may be beyond the control of Progress Energy.

Any forward-looking statement speaks only as of the date on which such statement is made, and Progress Energy does not undertake any obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made.

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 [Quarterly Report to Holders of Contingent Value Obligations for the Quarter Ended June 30, 2019.](#)

SIGNATURE

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

August 23, 2019

PROGRESS ENERGY, INC.

Registrant

By: /s/ DWIGHT L. JACOBS

Dwight L. Jacobs

Senior Vice President, Chief Accounting Officer, Tax and Controller

Quarterly Report to Holders of Contingent Value Obligations for the Quarter Ended June 30, 2019

August 23, 2019

To Holders of Contingent Value Obligations:

Overview

There are currently 98.6 million Contingent Value Obligations (CVOs) issued and outstanding. CVOs were issued as a result of the Progress Energy, Inc. (Progress Energy or the Company) and Florida Progress Corporation share exchange on November 30, 2000. For every Florida Progress Corporation share owned at that time, one CVO was issued. As of August 23, 2019, Progress Energy has repurchased and holds 83.4 million of the outstanding CVOs.

Each CVO represents the right of the holder to receive contingent payments, based on the net after-tax cash flow generated by the synthetic fuels plants previously owned by Solid Energy LLC, Ceredo Synfuel LLC, Solid Fuel LLC and Sandy River LLC (the Earthco plants). Qualifying synthetic fuels plants entitled their owners to federal income tax credits based on the barrel of oil equivalent of the synthetic fuels produced and sold by these plants. In the aggregate, holders of CVOs are entitled to payments equal to 50% of any net after-tax cash flow generated by the Earthco plants in excess of \$80 million per year for each of the years 2001 through 2007. The synthetic fuels tax credit program expired on December 31, 2007, and all operations ceased.

As disclosed in previous reports, some tax credits generated by the Earthco plants in the years 2001 through 2007 were not realized or included in net after-tax cash flows for those years and are available to be realized in the future. CVO holders may be entitled to payment for those operation years if the sum of the carry forward tax credits realized and the net after-tax cash flows for the period the tax credits were generated exceed \$80 million. As described above, the CVO holders are entitled to 50% of the amounts realized greater than \$80 million.

Upon the disposition of any interest in the Earthco plants to a third party prior to 2008, CVO holders may be entitled to share the cash proceeds received by the Company from the third party. The CVO holders' share of such disposition proceeds is based upon the CVO holders' share of net after-tax cash flows generated in the years prior to the disposition.

All payments are first deposited with the CVO trustee (the Trustee) in accordance with the legal documents governing the CVOs (the CVO Agreement). Net after-tax cash flow and carry forward credit payments will not generally be made to CVO holders until audit matters are resolved for the years of the tax returns in which the tax credits giving rise to the payments are realized. The Company cannot predict when the audit matters for the tax return years in which tax credits are realized will be resolved. Based on past tax audit experience, the Company's tax audits could take many years to resolve. Disposition proceeds payments will not generally be made to CVO holders until the termination of all indemnity obligations under the purchase and sale agreement related to the disposition.

For purposes of calculating CVO payments, net after-tax cash flows include the taxable income or loss for the Earthco plants adjusted for depreciation and other noncash items plus income tax benefits, and minus income tax incurred. The total amount of net after-tax cash flow for any year will depend upon the final determination of the income tax benefits realized and the income taxes incurred after completion of the income tax audits. Thus, the estimated after-tax cash flow generated by the Earthco plants could increase or decrease due to changes in income taxes for the year.

This is only an overview of the terms of the CVOs. The CVO Agreement contains significant additional information, including information concerning the realization of tax credits carried forward and payments of disposition proceeds.

Summary of Net After-Tax Cash Flows, Carry Forward Tax Credits and Deposits

The net after-tax cash flows and tax credits carried forward for the years 2001 through 2007 and the deposits with the Trustee were as follows:

(in millions)					
Operation Year	Net after-tax cash flows ^(a)	Tax credits to be realized on 2018 tax return	Remaining tax credits generated but not included in net after-tax cash flows and not yet realized	Deposits with Trustee	
2001	\$ (0.8)	\$ 58.2	\$ 58.2	\$ —	
2002	3.2	47.3	47.3	—	
2003	79.6	45.0	45.0	22.4 ^(b)	
2004	71.0	27.8	27.8	9.4 ^(b)	
2005	(43.2)	40.3	40.3	—	
2006	64.0	—	—	—	
2007	(90.0)	—	—	—	
Disposition of Ceredo Synfuel LLC	N/A	N/A	N/A	6.5 ^(c)	

(a) The amounts of net after-tax cash flows for the years 2001 through 2007 generally should remain unchanged due to resolution of the Company's tax audits for those years. However, there are circumstances where the Company can file an amended return that can carry back into certain closed audit years.

(b) Deposited March 15, 2019, including interest.

(c) Deposited June 11, 2008, including interest.

Realization of Carry Forward Tax Credits

For the Tax Year 2018, the Company estimates that it will realize 50% of any tax credits generated in the Operation Years 2001 through 2007. The amount of realized tax credits is an estimate; therefore, the actual amount of tax credits realized may ultimately vary substantially from this amount.

Allocable Expenses

In accordance with the CVO Agreement, the Company will be reimbursed for its "allocable expenses," which include (1) certain fees and expenses related to the maintenance of the trust; (2) costs related to the administration of the CVOs; and (3) the CVO holders' share of the Company's tax administration, audit or controversy expense related to the Earthco plants. The payments made to CVO holders will be reduced by the amount of these expenses.

Material Developments as of August 23, 2019

Tax Cuts and Jobs Act

On December 22, 2017, President Trump signed the Tax Cuts and Jobs Act (Tax Act) into law. Among other provisions, the Tax Act, effective for tax years beginning after 2017, repeals the corporate alternative minimum tax (AMT) and treats as refundable 50% (100% for tax years beginning in 2021) of the excess of the AMT credit for the tax year over the amount of the credit allowable for the year against regular tax liability. Accordingly, the Company is utilizing the 50% of the carry forward tax credits in the 2018 tax year and expects to utilize the remaining credits by tax year 2021. Generally, carry forward credit payments are not made to CVO holders until audit matters are resolved for the years of the tax returns in which the tax credits giving rise to the payments are realized. Therefore, the Company is unable to estimate the timing or the amount of any future payments to the CVO holders.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments issued to, and credit elect and refund offset transactions for, corporations claiming certain refundable tax credits are subject to sequestration. During the fourth quarter of 2018, it was determined that AMT credits are not among the certain refundable tax credits subject to sequestration based upon additional guidance published by the Internal Revenue Service.

The Tax Act could also be amended or subject to technical corrections, which could change the financial impacts that were recorded at June 30, 2019, or are expected to be recorded in future periods. Progress Energy's future results of operations, financial condition and cash flows could be adversely impacted by the Tax Act's subsequent amendments or corrections, or the actions of the FERC, state utility commissions or credit rating agencies related to the Tax Act.

Merger

On July 2, 2012, Progress Energy consummated the merger with Duke Energy Corporation (Duke Energy) and became, and will continue as, a direct wholly owned subsidiary of Duke Energy. Certain substantial changes in ownership of Progress Energy, including the merger, can impact the timing of the utilization of tax credit carry forwards.

Disposition of Ceredo Synfuel LLC

In March 2007, the Company sold its 100% partnership interest in Ceredo Synfuel LLC (Ceredo), which was one of the Earthco plants, to a third-party buyer. In addition, the Company entered into an agreement to operate Ceredo on behalf of the buyer. At closing, the Company received cash proceeds of \$10 million and a nonrecourse note receivable of \$54 million. Payments on the note were received as Ceredo produced and sold qualified coal-based solid synthetic fuels during 2007. The Company received payments on the note related to 2007 production of \$49 million in 2007 and \$5 million in 2008. A purchase price adjustment pursuant to the terms of the purchase and sale agreement and other adjustments to proceeds not related to the sale of the partnership interest in Ceredo resulted in total cash proceeds of \$44 million. Pursuant to the terms of the purchase and sale agreement, the Company will indemnify the buyer against certain losses, including, but not limited to, losses arising from the disallowance of synthetic fuels tax credits. Based upon the cash proceeds received by the Company, the CVO holders' share of disposition proceeds of approximately \$6 million, excluding interest, was deposited with the Trustee in the second quarter of 2008. Disposition proceeds payments will not generally be made to CVO holders until the termination of all indemnity obligations under the purchase and sale agreement related to the disposition.

Section 29 Tax Credits

Legislation enacted in 2005 redesignated the Section 29 tax credit as a general business credit under Section 45K of the Code (Section 45K) effective January 1, 2006. The previous amount of Section 29 tax credits that the Company was allowed to claim in any calendar year through December 31, 2005, was limited by the amount of its regular federal income tax liability. Section 29 tax credit amounts allowed but not utilized are carried forward indefinitely as deferred alternative minimum tax credits prior to the signing of the Tax Act on December 22, 2017, as described above.

Supplemental Information

Where can I find a current market value of the CVOs?

CVOs are traded on the OTC Markets. To obtain a value, contact your broker or visit otcmarkets.com. Type "PREX" in the "Enter Symbol/Company Name" section, and click "Get Quote" to obtain the latest quote.

How can I purchase or sell CVOs?

You will need to contact a broker to purchase or sell CVOs.

What is the tax basis in the CVOs?

For federal income tax reporting purposes, the Company will treat 54.5 cents as the fair market value of each CVO issued on November 30, 2000, the effective date of the share exchange. That amount is the average of the reported high and low trading prices of the CVOs on the NASDAQ Over-the-Counter Market on November 30, 2000. If you received your CVOs in the share exchange, your tax basis for your CVOs is 54.5 cents. If you acquired your CVOs after the share exchange, please consult your tax advisor for your tax basis.

Who is the Securities Registrar and Transfer Agent for the CVOs?

American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219
Call toll-free: 877.711.4092

**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): **September 9, 2019**



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.

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class:	Trading Symbol(s):	Name of each exchange on which registered:
Duke Energy Corporation	Common Stock, \$0.001 par value	DUK	New York Stock Exchange LLC
Duke Energy Corporation	5.125% Junior Subordinated Debentures due January 15, 2073	DUKH	New York Stock Exchange LLC
Duke Energy Corporation	5.625% Junior Subordinated Debentures due September 15, 2078	DUKB	New York Stock Exchange LLC
Duke Energy Corporation	Depository Shares, each representing a 1/1,000th interest in a share of 5.75% Series A Cumulative Redeemable Perpetual Preferred Stock, par value \$0.001 per share	DUK PR A	New York Stock Exchange LLC

Item 3.03 Material Modification to Rights of Security Holders.

On September 12, 2019, Duke Energy Corporation (the "Company") consummated the public offering of 1,000,000 shares of the Company's 4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.001 per share, with a liquidation preference of \$1,000 per share (the "Series B Preferred Stock"). Under the terms of the Series B Preferred Stock, the Company's ability to declare or pay dividends on, or purchase, redeem or otherwise acquire for consideration by the Company, directly or indirectly, shares of its common stock or any class or series of capital stock of the Company that rank junior to the Series B Preferred Stock will be subject to certain restrictions in the event that the Company does not declare and pay (or does not declare and set aside a sum sufficient for the payment thereof) the full cumulative dividends on the Series B Preferred Stock and any parity stock of the Company (including the Company's 5.75% Series A Cumulative Redeemable Perpetual Preferred Stock, par value of 0.001 per share, with a liquidation preference of \$25,000 per share) through the most recently completed dividend period for each such security. The terms of the Series B Preferred Stock, including such restrictions, are more fully described in, and this description is qualified in its entirety by reference to, the Certificate of Designations (as defined in Item 5.03 below), a copy of which is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On September 11, 2019, the Company filed a Certificate of Designations (the "Certificate of Designations") with the Secretary of State of the State of Delaware to establish the preference, limitations and relative rights of the Series B Preferred Stock. The Certificate of Designations became effective upon filing, and a copy is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01. Other Events.

On September 12, 2019, the Company consummated the issuance and sale of the Series B Preferred Stock pursuant to an underwriting agreement, dated September 9, 2019 (the "Underwriting Agreement") with Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, as representatives of the several underwriters named therein (the "Underwriters"), pursuant to which the Company agreed to issue and sell to the Underwriters the Series B Preferred Stock. The disclosure in this Item 8.01 is qualified in its entirety by the provisions of the Underwriting Agreement, which is filed as Exhibit 99.1 hereto. Such exhibit is incorporated herein by reference. Also, in connection with the issuance and sale of the Series B Preferred Stock, the Company is filing a legal opinion regarding the validity of the Series B Preferred Stock as Exhibit 5.1 to this Form 8-K for the purpose of incorporating such opinion into the Company's Registration Statement on Form S-3, as amended, No. 333-213765.

Item 9.01. Financial Statements and Exhibits.

(d)	Exhibits.
<u>3.1</u>	<u>Certificate of Designations with respect to the Series B Preferred Stock, dated September 11, 2019.</u>
<u>4.1</u>	<u>Form of Certificate representing the Series B Preferred Stock (included as Exhibit A to 3.1).</u>
<u>5.1</u>	<u>Opinion of Robert T. Lucas III regarding validity of the Series B Preferred Stock.</u>
<u>23.1</u>	<u>Consent of Robert T. Lucas III (included as part of Exhibit 5.1).</u>
<u>99.1</u>	<u>Underwriting Agreement, dated September 9, 2019, among the Company, Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, as representatives of the several underwriters named therein.</u>
104	Cover Page Interactive Data File (the Cover Page Interactive Data File is embedded within the Inline XBRL document)

SIGNATURE

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

DUKE ENERGY CORPORATION

Date: September 12, 2019

By: /s/ Robert T. Lucas III

Name: Robert T. Lucas III

Title: Assistant Corporate Secretary

CERTIFICATE OF DESIGNATIONS OF
4.875% SERIES B FIXED-RATE RESET CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK
OF
DUKE ENERGY CORPORATION

Duke Energy Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "**Corporation**"), in accordance with the provisions of Sections 103 and 151 thereof, does hereby certify:

The board of directors of the Corporation (the "**Board of Directors**"), in accordance with the Certificate of Incorporation and By-Laws of the Corporation and applicable law, authorized the issuance and sale by the Corporation of shares of its Preferred Stock pursuant to resolutions adopted by the Board of Directors effective August 25, 2016 and September 9, 2019 (collectively, the "**Resolutions**"), authorized the formation of a pricing committee of the Board of Directors (the "**Committee**"), and pursuant to the authority conferred upon the Committee in accordance with Section 141(c) of the General Corporation Law of the State of Delaware and the resolutions of the Board of Directors, the Committee adopted the following resolution creating and setting forth the terms of a series of Preferred Stock of the Corporation designated as the "4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock."

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the Resolutions, the provisions of the Certificate of Incorporation and By-Laws of the Corporation and applicable law, a series of Preferred Stock, par value \$0.001 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the shares of such series, are as follows:

SECTION 1. DESIGNATION. The distinctive serial designation of such series of Preferred Stock is "4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual" (the "**Series B Preferred Stock**"). Each share of Series B Preferred Stock shall be identical in all respects to every other share of Series B Preferred Stock, except as to the respective dates from which dividends thereon shall accumulate, to the extent such dates may differ as permitted pursuant to Section 5(a) below.

SECTION 2. NUMBER OF SHARES. The authorized number of shares of Series B Preferred Stock shall be 1,000,000. Shares of Series B Preferred Stock that are redeemed, purchased or otherwise acquired by the Corporation, or converted into another series of Preferred Stock, shall be cancelled and shall revert to authorized but unissued shares of Series B Preferred Stock.

SECTION 3. DEFINITIONS. As used herein with respect to Series B Preferred Stock:

- (a) "**Agent Members**" has the meaning specified in Section 14(b).
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- (b) **"Business Day"** means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in The City of New York are not authorized or obligated by law, regulation or executive order to close.
- (c) **"By-Laws"** means the Amended and Restated By-Laws of the Corporation, effective as of January 4, 2016, as the same may be amended or restated from time to time.
- (d) **"Certificate of Designations"** means this Certificate of Designations relating to the Series B Preferred Stock, as it may be amended from time to time.
- (e) **"Certificate of Incorporation"** shall mean the Amended and Restated Certificate of Incorporation of the Corporation, effective as of May 20, 2014, as amended on March 28, 2019 and as the same may be further amended or restated from time to time, and shall include this Certificate of Designations.
- (f) **"Certificated Series B Preferred Stock"** has the meaning specified in Section 14.
- (g) **"Common Stock"** means the common stock, par value \$0.001 per share, of the Corporation.
- (h) **"Dividend Payment Date"** has the meaning specified in Section 5.
- (i) **"Dividend Period"** with respect to the Series B Preferred Stock means each period commencing on (and including) a Dividend Payment Date and continuing to, but excluding, the next succeeding Dividend Payment Date or any earlier redemption date, except that the first Dividend Period for the initial issuance of Series B Preferred Stock shall commence on (and include) the Issue Date.
- (j) **"Dividend Record Date"** has the meaning specified in Section 5.
- (k) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended.
- (l) **"First Call Date"** means September 16, 2024.
- (m) **"Five-year U.S. Treasury Rate"** means, as of any Reset Dividend Determination Date, as applicable, (i) an interest rate (expressed as a decimal) determined to be the per annum rate equal to the arithmetic mean of the five most recent daily yields to maturity for U.S. Treasury securities with a maturity of five years from the next Reset Date and trading in the public securities markets or (ii) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate will be determined by interpolation between the arithmetic mean of the five most recent daily yields to maturity for each of the two series of U.S. Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Reset Dividend Determination Date, and (B) the other maturity as close as possible to, but later than, the Reset Date following the next succeeding Reset Dividend Determination Date, in each case as published in the most recent H.15. If the Five-year U.S. Treasury Rate cannot be determined pursuant to the methods described in clauses (i) or (ii) above, then the Five-year U.S. Treasury Rate will be the same interest rate determined for the prior Reset Dividend Determination Date.

- (n) “**Global Depository**” has the meaning specified in Section 14.
- (o) “**Global Legend**” has the meaning specified in Section 14.
- (p) “**Global Series B Preferred Stock**” has the meaning specified in Section 14.
- (q) “**H.15**” means the statistical release designated as such, or any successor publication, published by the Board of Governors of the U.S. Federal Reserve System, and “**Most recent H.15**” means the H.15 published closest in time but prior to the close of business on the second Business Day prior to the applicable Reset Date.
- (r) “**Issue Date**” shall mean September 12, 2019, which is the original issue date of the Series B Preferred Stock.
- (s) “**Junior Stock**” has the meaning specified in Section 4(a).
- (t) “**Liquidation Preference**” has the meaning specified in Section 6.
- (u) “**Liquidation Preference Amount**” means \$1,000 per share of Series B Preferred Stock.
- (v) “**Nonpayment Event**” has the meaning specified in Section 8(b).
- (w) “**Parity Stock**” has the meaning specified in Section 4(a).
- (x) “**Person**” means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.
- (y) “**Preferred Stock**” means any and all series of preferred stock, having a par value of \$0.001 per share, of the Corporation, including the Series B Preferred Stock.
- (z) “**Preferred Stock Directors**” has the meaning specified in Section 8(b).
- (aa) “**Ratings Event**” means that any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act or in any successor provision thereto, that then publishes a rating for the Corporation (a “**Rating Agency**”) amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Series B Preferred Stock, which amendment, clarification or change results in:
 - (i) the shortening of the length of time the Series B Preferred Stock is assigned a particular level of equity credit by that Rating Agency as compared to the length of time they would have been assigned that level of equity credit by that Rating Agency or its predecessor on the initial issuance of the Series B Preferred Stock; or
 - (ii) the lowering of the equity credit (including up to a lesser amount) assigned to the Series B Preferred Stock by that Rating Agency as compared to the equity credit assigned by that Rating Agency or its predecessor on the initial issuance of the Series B Preferred Stock.

- (bb) **“Registrar”** means Equiniti Trust Company (or any successor thereto), in its capacity as registrar for the Series B Preferred Stock.
- (cc) **“Reset Date”** means the First Call Date and each date falling on the fifth anniversary of the preceding Reset Date.
- (dd) **“Reset Dividend Determination Date”** means, in respect of any Reset Period, the day falling two business days prior to the beginning of such Reset Period.
- (ee) **“Reset Period”** means the period from and including the First Call Date to, but excluding, the next following Reset Date and thereafter each period from and including each Reset Date to, but excluding, the next following Reset Date.
- (ff) **“Senior Stock”** has the meaning specified in Section 4(a).
- (gg) **“Series A Preferred Stock”** means the Corporation’s 5.75% Series A Cumulative Redeemable Perpetual Preferred Stock, par value \$0.001 per share, that was issued on March 29, 2019.
- (hh) **“Transfer Agent”** means Equiniti Trust Company (or any successor thereto), in its capacity as transfer agent for the Series B Preferred Stock.
- (ii) **“Voting Preferred Stock”** means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 4 below) or any other matter as to which the holders of Series B Preferred Stock are entitled to vote as specified in Section 8 of this Certificate of Designations, any and all class or series of Preferred Stock (other than Series B Preferred Stock), that rank equally with Series B Preferred Stock either as to the payment of dividends (whether cumulative or non-cumulative) or as to the distribution of assets upon liquidation, dissolution or winding-up of the affairs of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

SECTION 4. RANKING

- (a) **RANKING.** The shares of Series B Preferred Stock shall rank, with respect to the payment of dividends (whether cumulative or non-cumulative) and distributions upon the liquidation, dissolution or winding-up of the affairs of the Corporation:
 - (i) senior to the Common Stock and to each other class or series of the Corporation’s capital stock established after the Issue Date that is expressly made subordinated to the Series B Preferred Stock as to the payment of dividends or amounts payable on a liquidation, dissolution or winding-up of the affairs of the Corporation (the **“Junior Stock”**);

(ii) on a parity with the Series A Preferred Stock and any class or series of the Corporation's capital stock established after the Issue Date that is not expressly made senior or subordinated to the Series B Preferred Stock as to the payment of dividends or amounts payable on a liquidation, dissolution or winding-up of the affairs of the Corporation (collectively, the "**Parity Stock**"); and

(iii) junior to any class or series of the Corporation's capital stock established after the Issue Date that is expressly made senior to the Series B Preferred Stock as to the payment of dividends or amounts payable on a liquidation, dissolution or winding-up of the affairs of the Corporation (the "**Senior Stock**").

The Corporation may authorize and issue additional shares of Series B Preferred Stock at any time and from time to time without notice to, or the consent of, the holders of the Series B Preferred Stock, and such additional shares of Series B Preferred Stock will be deemed to form a single series together with all outstanding shares of the Series B Preferred Stock.

The Corporation may issue Parity Stock and Junior Stock at any time and from time to time in one or more series without notice to, or the consent of, the holders of the Series B Preferred Stock.

SECTION 5. DIVIDENDS.

(a) RATE. (i) Holders of Series B Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors or any duly authorized committee of the Board of Directors out of funds legally available for the payment of dividends under Delaware law, cumulative cash dividends per each share of Series B Preferred Stock at the rate determined as set forth below in this Section 5 applied to the Liquidation Preference Amount of \$1,000 per share of Series B Preferred Stock. Dividends on the Series B Preferred Stock shall accumulate daily and shall be cumulative from, and including, the Issue Date and shall be payable semi-annually in arrears on the 16th day of each March and September, commencing on March 16, 2020 (each such date, a "**Dividend Payment Date**"); *provided*, that if any such Dividend Payment Date is a day that is not a Business Day, the dividend with respect to such Dividend Payment Date shall instead be payable on the immediately succeeding Business Day, without additional dividends, interest or other payment in respect of such delayed payment. Dividends on Series B Preferred Stock shall be cumulative (i) whether or not the Corporation has earnings, (ii) whether or not there are funds legally available for the payment of such dividends, (iii) whether or not such dividends are authorized or declared and (iv) whether or not any of the Corporation's agreements prohibit the current payment of dividends, including any agreement relating to the Corporation's indebtedness. Accordingly, if the Board of Directors or any duly authorized committee of the Board of Directors does not declare a dividend on the Series B Preferred Stock payable in respect of any Dividend Period before the related Dividend Payment Date, such dividend shall accumulate and an amount equal to such accumulated dividend shall become payable out of funds legally available therefor upon the liquidation, dissolution or winding-up of the affairs of the Corporation (or earlier redemption of such shares of Series B Preferred Stock), to the extent not paid prior to such liquidation, dissolution or winding-up or earlier redemption, as the case may be. No interest, or sum of money in lieu of interest, shall be payable on any dividend payment that may be in arrears on the Series B Preferred Stock.

(ii) Dividends that are payable on Series B Preferred Stock on any Dividend Payment Date will be payable to holders of record of Series B Preferred Stock as they appear on the stock register of the Corporation as of the close of business on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 calendar days nor less than 10 calendar days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day. In the case of payments of dividends payable in arrears, the Dividend Record Date shall be such date fixed by the Board of Directors or any duly authorized committee of the Board of Directors.

(iii) Dividends payable on the Series B Preferred Stock, including dividends payable for any partial Dividend Period, shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on any Dividend Payment Date shall include dividends accumulated to, but excluding, such Dividend Payment Date.

(iv) The initial dividend rate for the Series B Preferred Stock from and including the Issue Date to, but excluding, the First Call Date will be 4.875% *per annum* of the \$1,000 liquidation preference per share. On and after the First Call Date, the dividend rate on the Series B Preferred Stock for each Reset Period will be equal to the Five-year U.S. Treasury Rate as of the most recent Reset Dividend Determination Date plus a spread of 3.388%.

(v) The applicable dividend rate for each Reset Period will be determined by the calculation agent, as of the applicable Reset Dividend Determination Date. Promptly upon such determination, the calculation agent will notify the Corporation of the dividend rate for the Reset Period. The calculation agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period beginning on or after the First Call Date will be on file at the Corporation's principal offices, will be made available to any holder of the Series B Preferred Stock upon request and will be final and binding in the absence of manifest error.

(b) **PRIORITY OF DIVIDENDS.** (i) The Corporation shall not declare or pay, or set aside for payment, full dividends on the Series B Preferred Stock or any Parity Stock for any Dividend Period unless the full cumulative dividends have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside) on the Series B Preferred Stock and any Parity Stock through the most recently completed Dividend Period for each such security. When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series B Preferred Stock and any shares of Parity Stock on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the related Dividend Period), all dividends declared on the Series B Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accumulated but unpaid dividends per share on the Series B Preferred Stock and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other. Any portion of such dividends not declared and paid (or declared and a sum sufficient for the payment thereof set aside) that are payable upon the Series B Preferred Stock and such Parity Stock in respect of such Dividend Period on such Dividend Payment Date shall accumulate, and an amount equal to such undeclared portion of such dividends shall become payable out of funds legally available for the payment of dividends upon the Corporation's liquidation, dissolution or winding-up (or earlier redemption of such shares of Series B Preferred Stock and such Parity Stock), to the extent not paid prior to such liquidation, dissolution or winding-up or earlier redemption, as the case may be.

(ii) During any Dividend Period, so long as any shares of Series B Preferred Stock remain outstanding, unless the full cumulative dividends have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside) on the Series B Preferred Stock and any Parity Stock through the most recently completed Dividend Period for each such security:

(x) no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in shares of Junior Stock); and

(y) no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than (a) purchases, redemptions or other acquisitions of shares of Junior Stock pursuant to any employment contract, dividend reinvestment plan, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors, consultants or advisors, (b) as a result of a reclassification of Junior Stock for or into other Junior Stock, (c) the exchange or conversion of one share of Junior Stock for or into another share of such Junior Stock, or (d) through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period.

(iii) The Series B Preferred Stock shall rank junior as to payment of dividends to any class or series of Senior Stock that the Corporation may issue in the future. If at any time the Corporation has failed to pay, on the applicable payment date, accumulated dividends on any class or series of Senior Stock, the Corporation may not pay any dividends on the outstanding Series B Preferred Stock or redeem or otherwise repurchase any shares of Series B Preferred Stock until the Corporation has paid or set aside for payment the full amount of the unpaid dividends on the Senior Stock that must, under the terms of such securities, be paid before the Corporation may pay dividends on, or redeem or repurchase, the Series B Preferred Stock.

(iv) Notwithstanding anything herein to the contrary, no dividends on the Series B Preferred Stock shall be declared and paid (or declared and a sum sufficient for the payment thereof set aside) at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness, prohibits such declaration and payment (or declaration and setting aside a sum sufficient for the payment thereof) would constitute a breach thereof or a default thereunder, or if the declaration and payment (or the declaration and setting aside a sum sufficient for the payment thereof) shall be restricted or prohibited by law.

(c) Subject to the foregoing, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on the Common Stock and any other shares of Junior Stock from time to time out of any funds legally available for such payment, and the Series B Preferred Stock shall not be entitled to participate in any such dividend.

SECTION 6. LIQUIDATION RIGHTS.

(a) VOLUNTARY OR INVOLUNTARY LIQUIDATION. In the event of any liquidation, dissolution or winding-up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series B Preferred Stock shall be entitled to receive, out of the assets of the Corporation legally available for distribution to stockholders of the Corporation, after satisfaction of all liabilities and obligations to creditors of the Corporation, if any, and subject to the rights of holders of Senior Stock in respect of distributions upon liquidation, dissolution or winding-up of the affairs of the Corporation, and before any distribution of such assets is made to or set aside for the holders of Common Stock and any other Junior Stock, in full an amount equal to \$1,000 per share of Series B Preferred Stock, together with an amount equal to all accumulated and unpaid dividends (whether or not declared), if any. Holders of the Series B Preferred Stock will not be entitled to any other amounts from the Corporation after they have received their full Liquidation Preference.

(b) PARTIAL PAYMENT. If in any distribution described in Section 6(a) above the assets of the Corporation are not sufficient to pay the Liquidation Preferences in full to all holders of Series B Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series B Preferred Stock and to the holders of all such other Parity Stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series B Preferred Stock and the holders of all such other Parity Stock. In any such distribution, the "Liquidation Preference" of any holder of Preferred Stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including any unpaid, accumulated, cumulative dividends, whether or not declared (and, in the case of any Parity Stock on which dividends accumulate on a non-cumulative basis, an amount equal to any declared but unpaid dividends, as applicable).

(c) RESIDUAL DISTRIBUTIONS. If the Liquidation Preference has been paid in full to all holders of Series B Preferred Stock and any Parity Stock, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) MERGER, CONSOLIDATION AND SALE OF ASSETS NOT LIQUIDATION. For purposes of this Section 6, neither the merger or consolidation of the Corporation into or with any other corporation, including a merger or consolidation in which the holders of Series B Preferred Stock receive cash, securities or other property for their shares, nor a sale, transfer or lease of all or part of its assets, will be deemed a liquidation, dissolution or winding-up of the affairs of the Corporation.

SECTION 7. REDEMPTION.

(a) OPTIONAL REDEMPTION. The Series B Preferred Stock is perpetual and has no maturity date. Holders of the Series B Preferred Stock will have no right to require the redemption or repurchase of the Series B Preferred Stock. The Corporation may, at its option, redeem the shares of Series B Preferred Stock at the time outstanding, upon notice given as provided in Section 7(c) below,

(i) in whole or in part, from time to time, on the First Call Date or any subsequent Reset Date, at a redemption price in cash equal to \$1,000 per share of Series B Preferred Stock, plus an amount equal to accumulated and unpaid dividends (whether or not declared) to, but excluding, the date fixed for redemption, or

(ii) in whole but not in part, within 120 days after the conclusion of any review or appeal process instituted by the Corporation following the occurrence of a Ratings Event, at a redemption price in cash equal to \$1,020 per share of Series B Preferred Stock, plus an amount equal to accumulated and unpaid dividends (whether or not declared) to, but excluding, such redemption date.

The redemption price for any shares of Series B Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared and unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not constitute a part of or be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on the Dividend Record Date relating to such Dividend Payment Date as provided in Section 5 above.

(b) NO SINKING FUND. The Series B Preferred Stock will not be subject to any mandatory redemption, sinking fund, retirement fund or purchase fund or other similar provisions. Holders of Series B Preferred Stock will have no right to require redemption, repurchase or retirement of any shares of Series B Preferred Stock.

(c) NOTICE OF REDEMPTION. Notice of every redemption of shares of Series B Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series B Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series B Preferred Stock. Notwithstanding the foregoing, if the Series B Preferred Stock is issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series B Preferred Stock at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series B Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and (5) that dividends on the shares of Series B Preferred Stock to be redeemed will cease to accumulate from and after such redemption date.

(d) PARTIAL REDEMPTION. In case of any redemption of only part of the shares of Series B Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either pro rata or by lot (or, in the event the Series B Preferred Stock is in the form of Global Series B Preferred Stock in accordance with the applicable procedures of DTC). Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series B Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) EFFECTIVENESS OF REDEMPTION. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accumulate on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

SECTION 8. VOTING RIGHTS.

(a) GENERAL. The holders of Series B Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) RIGHT TO ELECT TWO DIRECTORS UPON NONPAYMENT EVENTS. If and whenever dividends on any shares of Series B Preferred Stock shall not have been paid for the equivalent of three semi-annual full Dividend Periods, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series B Preferred Stock, together with the holders of any outstanding shares of Voting Preferred Stock, voting together as a single class, with each series having a number of votes proportionate to the aggregate liquidation preference of the outstanding shares of such series, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), provided that it shall be a qualification for election for any such Preferred Stock Director that the election of such director shall not cause the Corporation to violate the corporate governance requirement of the New York Stock Exchange (or any other securities exchange or other trading facility on which securities of the Corporation may then be listed or traded) that listed or traded companies must have a majority of independent directors.

In the event that the holders of the Series B Preferred Stock, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series B Preferred Stock or of any other such series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series B Preferred Stock or Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 10 below, or as may otherwise be required by law.

If and when all accumulated and unpaid dividends on the Series B Preferred Stock shall have been paid in full through the most recently completed Dividend Period following a Nonpayment Event, then the right of the holders of Series B Preferred Stock to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event pursuant to this Section 8 and the number of Dividend Periods in which dividends have not been paid shall be reset to zero), and, if and when any rights of holders of Series B Preferred Stock and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series B Preferred Stock and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of the Series B Preferred Stock and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) OTHER VOTING RIGHTS. So long as any shares of Series B Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66 2/3% of the shares of Series B Preferred Stock and any Voting Preferred Stock (subject to the last paragraph of this Section 8(c)) at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) AUTHORIZATION OF SENIOR STOCK. Any amendment or alteration of the Certificate of Incorporation or this Certificate of Designation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series B Preferred Stock with respect to the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding-up of the affairs of the Corporation;

(ii) AMENDMENT OF SERIES B PREFERRED STOCK. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation or this Certificate of Designation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series B Preferred Stock, taken as a whole; or

(iii) SHARE EXCHANGES, RECLASSIFICATIONS, MERGERS AND CONSOLIDATIONS. Any consummation of a binding share exchange or reclassification involving the Series B Preferred Stock, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series B Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such Series B Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series B Preferred Stock immediately prior to such consummation, taken as a whole;

provided, however, that for all purposes of this Section 8(c), any increase in the amount of the authorized or issued Series B Preferred Stock or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series B Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding-up of the affairs of the Corporation will not be deemed to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series B Preferred Stock.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 8(c) would materially and adversely affect the Series B Preferred Stock and one or more, but not all, series of Voting Preferred Stock (including the Series B Preferred Stock for this purpose), then only the Series B Preferred Stock and such series of Voting Preferred Stock as are materially and adversely affected by and entitled to vote shall vote on the matter together as a single class (in lieu of all other series of Voting Preferred Stock).

(d) CHANGES FOR CLARIFICATION. To the fullest extent permitted by law, without the consent of the holders of the Series B Preferred Stock, so long as such action does not adversely affect the special rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series B Preferred Stock, the Corporation may amend, alter, supplement or repeal any terms of the Series B Preferred Stock for the following purposes:

- (i) to cure any ambiguity, omission, inconsistency or mistake in any such agreement or instrument;
- (ii) to make any provision with respect to matters or questions relating to the Series B Preferred Stock that is not inconsistent with the provisions of this Certificate of Designations and that does not adversely affect the rights of any holder of the Series B Preferred Stock; or
- (iii) to make any other change that does not adversely affect the rights of any holder of the Series B Preferred Stock (other than any holder that consents to such change).

In addition, without the consent of the holders of the Series B Preferred Stock, the Corporation may amend, alter, supplement or repeal any terms of the Series B Preferred Stock to conform the terms of the Series B Preferred Stock to the description thereof in the related prospectus as supplemented and/or amended by the "Description of the Series B Preferred Stock" section of the preliminary prospectus supplement for the Series B Preferred Stock, as further supplemented and/or amended by the related pricing term sheet.

(e) CHANGES AFTER PROVISION FOR REDEMPTION. No vote or consent of the holders of Series B Preferred Stock shall be required pursuant to Section 8(b) or 8(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such subsections, all outstanding shares of Series B Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 7 above.

(f) PROCEDURES FOR VOTING AND CONSENTS. The rules and procedures for calling and conducting any meeting of the holders of Series B Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or a duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the By-Laws and applicable law. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series B Preferred Stock and any Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series B Preferred Stock are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

SECTION 9. RECORD HOLDERS. To the fullest extent permitted by applicable law, the Corporation and the Transfer Agent for the Series B Preferred Stock may deem and treat the record holder of any share of Series B Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor such Transfer Agent shall be affected by any notice to the contrary.

SECTION 10. NOTICES. All notices or communications in respect of Series B Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or By-Laws or by applicable law.

SECTION 11. NO PREEMPTIVE RIGHTS. No share of Series B Preferred Stock shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

SECTION 12. NO OTHER RIGHTS. The shares of Series B Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

SECTION 13. NO CONVERSION RIGHTS. The shares of Series A Preferred Stock shall not be convertible into any other class of stock.

SECTION 14. FORM.

(a) **CERTIFICATED SERIES B PREFERRED STOCK.** The Series B Preferred Stock may be issued in the form of one or more definitive shares in fully registered form in substantially the form attached to this Certificate of Designations as Exhibit A ("**Certificated Series B Preferred Stock**"), which is incorporated in and expressly made a part of this Certificate of Designations. Each Certificated Series B Preferred Stock shall reflect the number of shares of Series B Preferred Stock represented thereby, and may have notations, legends, or endorsements required by law, stock exchange rules, agreements to which the Corporation is subject, if any, or usage (*provided* that any such notation, legend, or endorsement is in a form acceptable to the Corporation). Each Certificated Series B Preferred Stock shall be registered in the name or names of the Person or Persons specified by the Corporation in a written instrument to the Registrar.

(b) **GLOBAL SERIES B PREFERRED STOCK.** If The Depository Trust Company or another depository reasonably acceptable to the Corporation (the "**Global Depository**") is willing to act as depository for the Global Series B Preferred Stock, a holder who is an Agent Member may request the Corporation to issue one or more shares of Series B Preferred Stock in global form with the global legend (the "**Global Legend**") as set forth on the form of Series B Preferred Stock certificate attached to this Certificate of Designations as Exhibit A ("**Global Series B Preferred Stock**"), in exchange for the Certificated Series B Preferred Stock held by such holder, with the same terms and of equal aggregate Liquidation Preference Amount. The Global Series B Preferred Stock may have notations, legends, or endorsements required by law, stock exchange rules, agreements to which the Corporation is subject, if any, or usage (*provided* that any such notation, legend, or endorsement is in a form acceptable to the Corporation). Any Global Series B Preferred Stock shall be deposited on behalf of the holders of the Series B Preferred Stock represented thereby with the Registrar, at the principal office of the Registrar at which at any particular time its registrar business is administered, which is currently located at Equiniti Trust Company, 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120, as custodian for the Global Depository, and registered in the name of the Global Depository or a nominee of the Global Depository, duly executed by the Corporation and countersigned and registered by the Registrar as hereinafter provided. The aggregate number of shares represented by each Global Series B Preferred Stock may from time to time be increased or decreased by adjustments made on the records of the Registrar and the Global Depository or its nominee as hereinafter provided. This Section 14(b) shall apply only to Global Series B Preferred Stock deposited with or on behalf of the Global Depository. The Corporation shall execute and the Registrar shall, in accordance with this Section 14(b), countersign and deliver any Global Series B Preferred Stock that (i) shall be registered in the name of Cede & Co. or other nominee of the Global Depository and (ii) shall be delivered by the Registrar to Cede & Co. or pursuant to instructions received from Cede & Co. or held by the Registrar as custodian for the Global Depository pursuant to an agreement between the Global Depository and the Registrar. Members of, or participants in, the Global Depository ("**Agent Members**") shall have no rights under this Certificate of Designations, with respect to any Global Series B Preferred Stock held on their behalf by the Global Depository or by the Registrar as the custodian for the Global Depository, or under such Global Series B Preferred Stock, and the Global Depository may be treated by the Corporation, the Registrar, and any agent of the Corporation or the Registrar as the absolute owner of such Global Series B Preferred Stock for all purposes whatsoever.

Notwithstanding the foregoing, nothing herein shall prevent the Corporation, the Registrar, or any agent of the Corporation or the Registrar from giving effect to any written certification, proxy, or other authorization furnished by the Global Depository or impair, as between the Global Depository and its Agent Members, the operation of customary practices of the Global Depository governing the exercise of the rights of a holder of a beneficial interest in any Global Series B Preferred Stock. The holder of the Global Series B Preferred Stock may grant proxies or otherwise authorize any Person to take any action that a holder is entitled to take pursuant to the Global Series B Preferred Stock, this Certificate of Designations, or the Certificate of Incorporation. Owners of beneficial interests in Global Series B Preferred Stock shall not be entitled to receive physical delivery of Certificated Series B Preferred Stock, unless (x) the Global Depository notifies the Corporation that it is unwilling or unable to continue as Global Depository for the Global Series B Preferred Stock and the Corporation does not appoint a qualified replacement for the Global Depository within 90 days after such notice, (y) the Global Depository ceases to be a "clearing agency" registered pursuant to Section 17A of the Exchange Act when the depository is required to be so registered and so notifies the Corporation, and the Corporation does not appoint a qualified replacement for the Global Depository within 90 days after such notice or (z) the Corporation in its sole discretion and subject to the Global Depository's procedures determines that the Series B Preferred Stock shall be exchangeable for Certificated Series B Preferred Stock. In any such case, the Global Series B Preferred Stock shall be exchanged in whole for Certificated Series B Preferred Stock, with the same terms and of an equal aggregate Liquidation Preference Amount, and such Certificated Series B Preferred Stock shall be registered in the name or names of the Person or Persons specified by the Global Depository in a written instrument delivered to the Transfer Agent and Registrar.

SECTION 15. CALCULATION AGENT. Unless the Corporation has validly called all shares of the Series B Preferred Stock for redemption on the First Call Date, the Corporation will appoint a banking institution or trust company as calculation agent with respect to the Series B Preferred Stock prior to the Reset Dividend Determination Date preceding the First Call Date. If the Corporation is unable to appoint a calculation agent using commercially reasonable efforts, the Corporation may appoint itself or an affiliate as calculation agent. The Corporation may, in its sole discretion, remove the calculation agent in accordance with the agreement between the Corporation and the calculation agent; *provided* that the Corporation shall appoint a successor calculation agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Corporation shall send notice thereof in accordance with Section 10 hereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, DUKE ENERGY CORPORATION has caused this Certificate of Designations to be signed by its Assistant Corporate Secretary on this 11th day of September, 2019.

DUKE ENERGY CORPORATION

By: /s/ Robert T. Lucas III

Name: Robert T. Lucas III

Title: Assistant Corporate Secretary

[Signature Page to Series B Certificate of Designations]

Exhibit A

A-1

[FORM OF FACE OF CERTIFICATE]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF _____, TO DUKE ENERGY CORPORATION OR EQUINITI TRUST COMPANY, AS TRANSFER AGENT (THE "**TRANSFER AGENT**"), AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF _____ OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF _____ (AND ANY PAYMENT IS MADE TO _____, OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF _____), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, _____, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS [GLOBAL] SERIES B PREFERRED STOCK SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF _____ OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS [GLOBAL] SERIES B PREFERRED STOCK SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE RELATED CERTIFICATE OF DESIGNATIONS. IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.]

DUKE ENERGY CORPORATION

Incorporated under the laws of
the State of Delaware

4.875% SERIES B FIXED-RATE RESET CUMULATIVE REDEEMABLE
PERPETUAL PREFERRED STOCK

CUSIP: 26441C BG9
ISIN: US26441CBG96

THIS CERTIFICATE IS TRANSFERABLE IN
NEW YORK, NY:

This is to certify that _____ is the registered owner of _____ shares of fully paid and non-assessable 4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, \$0.001 par value and a liquidation preference of \$1,000 per share of DUKE ENERGY CORPORATION, a Delaware corporation (the "**Corporation**"), transferable on the books of the Corporation by the holder hereof, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: _____

DUKE ENERGY CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

[Impression of Corporation Seal]

Countersigned and registered

EQUINITI TRUST COMPANY

By: _____
Authorized Officer

[FORM OF REVERSE OF CERTIFICATE]

DUKE ENERGY CORPORATION

The Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or special rights of each class of stock or series thereof of the Corporation and the qualifications, limitations or restrictions of such preferences and/or rights. Such request should be addressed to the Corporation or the Transfer Agent.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common
TEN ENT -	as tenants by the entireties
JT TEN -	as joint tenants with rights of survivorship and not as tenants in common
UNIF GIFT MIN ACT -	Custodian
	(Cust) (Minor)

under Uniform Gift to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

For Value Received, the undersigned hereby sells, assigns and transfers unto

(PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE)

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS,
INCLUDING ZIP CODE OF ASSIGNEE)

Shares

of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated:

NOTICE: THE SIGNATURE TO THE ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed: _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO RULE 17Ad-15 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

DUKE ENERGY BUSINESS SERVICES LLC
550 S. Tryon Street
Charlotte, North Carolina 28202
September 12, 2019

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

Re: Duke Energy Corporation's 1,000,000 shares of 4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.001 per share, with a liquidation preference of \$1,000 per share

Ladies and Gentlemen:

I am Deputy General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation, a Delaware corporation (the "Company"), and in such capacity I have acted as counsel to the Company in connection with the public offering of 1,000,000 shares of the Company's 4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.001 per share, with a liquidation preference of \$1,000 per share (the "Preferred Stock"). On September 9, 2019, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, as representatives of the several underwriters named therein (the "Underwriters"), relating to the sale by the Company to the Underwriters of the Preferred Stock.

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

I am a member of the bar of the State of North Carolina and my opinions set forth herein are limited to Delaware corporate law and the laws of the State of New York and the federal laws of the United States that, in my experience, are normally applicable to transactions of the type contemplated above and, to the extent that judicial or regulatory orders or decrees or consents, approvals, licenses, authorizations, validations, filings, recordings or registrations with governmental authorities are relevant, to those required under such laws (all of the foregoing being referred to as "Opined on Law"). I do not express any opinion with respect to the law of any jurisdiction other than Opined on Law or as to the effect of any such non-opined law on the opinions herein stated. This opinion letter 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 opinions 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 Preferred Stock and other securities of the Company originally filed on September 23, 2016, and subsequently filed on March 25, 2019, 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 March 25, 2019, relating to the offering of securities of the Company, which forms a part of and is included in the Registration Statement in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
- (c) the preliminary prospectus supplement, dated September 9, 2019, and the prospectus, dated March 25, 2019, relating to the offering of the Preferred Stock in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
- (d) the prospectus supplement, dated September 9, 2019, and the prospectus, dated March 25, 2019, relating to the offering of the Preferred Stock in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
- (e) the Amended and Restated Certificate of Incorporation of the Company, effective as of May 20, 2014, as amended on March 28, 2019 and as certified by the Secretary of State of the State of Delaware;
- (f) the Certificate of Designations of the Company, dated September 11, 2019, as filed with the Secretary of State of the State of Delaware on September 11, 2019;
- (g) the Amended and Restated By-laws of the Company, effective as of January 4, 2016;
- (h) an executed copy of the Underwriting Agreement;
- (i) a specimen of the certificate representing the shares of Preferred Stock;
- (j) the issuer free writing prospectus issued at or prior to 4:45 p.m. (Eastern time) on September 9, 2019, which the Company was advised is the time of the first contract of sale of the Preferred Stock, substantially in the form attached as Schedule III to the Underwriting Agreement and as filed with the Commission pursuant to Rule 433(d) of the Securities Act and Section 6(e) of the Underwriting Agreement; and
- (k) resolutions of the Pricing Committee of the Board of Directors of the Company, dated September 9, 2019, acting pursuant to the authorization given by the Board of Directors of the Company, pursuant to the resolutions thereof, adopted on August 25, 2016, February 12, 2019 and September 9, 2019.

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 and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that:

1. The Preferred Stock has been duly authorized by the Company, has been validly issued by the Company and is fully paid and non-assessable.

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.

Execution Version

DUKE ENERGY CORPORATION

UNDERWRITING AGREEMENT

**1,000,000 Shares of
4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock**

September 9, 2019

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, New York 10010

Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

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

As Representatives of the several Underwriters

c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

1. Introductory. DUKE ENERGY CORPORATION, a Delaware corporation (the "**Corporation**"), confirms its agreement with Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC and each of the several Underwriters listed in Schedule I hereto (collectively, the "**Underwriters**"), for whom you are acting as representatives (the "**Representatives**"), with respect to the issue and sale by the Corporation, and the purchase by the Underwriters, acting severally and not jointly, from the Corporation of an aggregate of 1,000,000 shares of the Corporation's 4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.001 per share, with a liquidation preference of \$1,000 per share (the "**Shares**"). The terms of the Shares will be set forth in a certificate of designations (the "**Certificate of Designations**") to be filed by the Corporation with the Secretary of State of the State of Delaware.

The Corporation understands that the several Underwriters propose to offer the Shares for sale upon the terms and conditions contemplated by (i) this Agreement and (ii) the Base Prospectus, the Preliminary Prospectus and the Permitted Free Writing Prospectus (each, as defined below) issued at or prior to the Applicable Time (as defined below) (such documents and information referred to in the foregoing subclause (ii) are collectively referred to herein as the "**Pricing Disclosure Package**").

2. *Representations and Warranties of the Corporation.* The Corporation represents and warrants to, and agrees with, the several Underwriters that:

- (a) A registration statement, as amended (No. 333-213765), including a prospectus, relating to the Shares and certain other securities has been filed with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933, as amended (the "**1933 Act**"). Such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, became effective upon filing with the Commission pursuant to Rule 462 of the rules and regulations of the Commission under the 1933 Act (the "**1933 Act Regulations**"), and no stop order suspending the effectiveness of such registration statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the 1933 Act has been initiated or threatened by the Commission (if prepared, any preliminary prospectus supplement specifically relating to the Shares immediately prior to the Applicable Time included in such registration statement or filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations being hereinafter called a "**Preliminary Prospectus**"); the term "**Registration Statement**" means the registration statement as deemed revised pursuant to Rule 430B(f)(1) of the 1933 Act Regulations on the date of such registration statement's effectiveness for purposes of Section 11 of the 1933 Act, as such section applies to the Corporation and the Underwriters for the Shares pursuant to Rule 430B(f)(2) of the 1933 Act Regulations (the "**Effective Date**"), including all exhibits thereto and including the documents incorporated by reference in the prospectus contained in the Registration Statement at the time such part of the Registration Statement became effective; the term "**Base Prospectus**" means the prospectus filed with the Commission on the date hereof by the Corporation; and the term "**Prospectus**" means the Base Prospectus together with the prospectus supplement specifically relating to the Shares prepared in accordance with the provisions of Rule 430B and promptly filed after execution and delivery of this Agreement pursuant to Rule 430B or Rule 424(b) of the 1933 Act Regulations; any information included in such Prospectus that was omitted from the Registration Statement at the time it became effective but that is deemed to be a part of and included in such registration statement pursuant to Rule 430B is referred to as "**Rule 430B Information**;" and any reference herein to any Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein prior to the date hereof; any reference to any amendment or supplement to the Preliminary Prospectus or Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Corporation filed pursuant to Section 13(a) or 15(d) of the 1934 Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement. For purposes of this Agreement, the term "**Applicable Time**" means 4:45 p.m. (New York City time) on the date hereof.

- (b) The Registration Statement, the Permitted Free Writing Prospectus specified on Schedule II hereto, the Preliminary Prospectus and the Prospectus conform, and any amendments or supplements thereto will conform, in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations, and (A) the Registration Statement, as of its original effective date, as of the date of any amendment and at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations, and at the Time of Delivery, did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) (i) the Pricing Disclosure Package, as of the Applicable Time, did not, (ii) the Prospectus and any amendment or supplement thereto, as of their dates, will not, and (iii) the Prospectus as of the Time of Delivery will not, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the Corporation makes no warranty or representation to the Underwriters with respect to any statements or omissions made in reliance upon and in conformity with written information furnished to the Corporation by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Permitted Free Writing Prospectus, the Preliminary Prospectus or the Prospectus.
- (c) The Permitted Free Writing Prospectus specified on Schedule II hereto as of its issue date and at all subsequent times through the completion of the public offer and sale of the Shares or until any earlier date that the Corporation notified or notifies the Underwriters as described in Section 6(e) hereof did not, does not and will not include any information that conflicts with the information (not superseded or modified as of the Effective Date) contained in the Registration Statement, the Preliminary Prospectus or the Prospectus.
- (d) At the earliest time the Corporation or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Shares, the Corporation was not an "ineligible issuer" as defined in Rule 405 of the 1933 Act Regulations. The Corporation is, and was at the time of the initial filing of the Registration Statement, eligible to use Form S-3 under the 1933 Act.

- (e) The documents and interactive data in eXtensible Business Reporting Language (“XBRL”) incorporated or deemed to be incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, at the time they were filed or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the “1934 Act Regulations”), and, when read together with the other information in the Prospectus, (a) at the time the Registration Statement became effective, (b) at the Applicable Time and (c) at the Time of Delivery did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (f) The compliance by the Corporation with all of the provisions of this Agreement and the Certificate of Designations has been duly authorized by all necessary corporate action and the consummation of the transactions herein or therein contemplated, including the issuance and sale of the Shares, and compliance by the Corporation with the terms and provisions hereof and thereof will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Corporation or any of its Principal Subsidiaries (as hereinafter defined) is a party or by which any of them or their respective property is bound or to which any of their properties or assets is subject that would have a material adverse effect on the business, financial condition or results of operations of the Corporation and its subsidiaries, taken as a whole, nor will such action result in any violation of the provisions of the amended and restated Certificate of Incorporation of the Corporation (the “Certificate of Incorporation”), the amended and restated By-Laws of the Corporation (the “By-Laws”) or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Corporation or its Principal Subsidiaries or any of their respective properties that would have a material adverse effect on the business, financial condition or results of operations of the Corporation and its subsidiaries, taken as a whole.
- (g) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Corporation of the transactions contemplated by this Agreement and the Certificate of Designations in connection with the issuance of the Shares in accordance with the terms of the Certificate of Designations and the issuance and sale of the Shares, except for (i) the approval of the North Carolina Utilities Commission, which has been received as of the date of this Agreement and (ii) the filing of the Certificate of Designations with the Secretary of State of the State of Delaware, and the registration under the 1933 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 Underwriters.

- (h) This Agreement has been duly authorized, executed and delivered by the Corporation.
- (i) Each of Duke Energy Carolinas, LLC, a North Carolina limited liability company, Duke Energy Indiana, LLC, an Indiana limited liability company, Progress Energy, Inc., a North Carolina corporation, Duke Energy Progress, LLC, a North Carolina limited liability company, and Duke Energy Florida, LLC, a Florida limited liability company, is a "significant subsidiary" of the Corporation within the meaning of Rule 1-02 of Regulation S-X under the 1933 Act (herein collectively referred to, along with Duke Energy Ohio, Inc., an Ohio corporation, and Piedmont Natural Gas Company, Inc., a North Carolina corporation, as the "**Principal Subsidiaries**").
- (j) The Shares, including the Certificate of Designations, have been duly authorized by the Corporation and, when the Shares have been delivered and paid for in accordance with this Agreement at the Time of Delivery, will be validly issued, fully paid and nonassessable; the Certificate of Designations sets forth the rights, preferences and priorities of the Shares and the holders of the Shares will have the rights set forth in the Certificate of Designations upon filing with the Secretary of State in the State of Delaware; the Shares and the Certificate of Designations will conform to the descriptions thereof contained in the Pricing Disclosure Package and the Prospectus; and the stockholders of the Corporation have no statutory preemptive rights with respect to the Shares.
- (k) The Corporation's authorized capital stock is as set forth in the Pricing Disclosure Package and the Prospectus and all outstanding shares of common stock of the Corporation have been duly authorized and are validly issued, fully paid and nonassessable.
- (l) Any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument set forth on Schedule IV hereto or filed or incorporated by reference as an exhibit to the Registration Statement or the Annual Report on Form 10-K of the Corporation for the fiscal year ended December 31, 2018 or any subsequent Quarterly Report on Form 10-Q of the Corporation or any Current Report on Form 8-K of the Corporation with an execution or a filing date after December 31, 2018, except to the extent that such agreement is no longer in effect or to the extent that neither the Corporation nor any subsidiary of the Corporation is currently a party to such agreement, are all indentures, mortgages, deeds of trust, loan agreements or other agreements or instruments that are material to the Corporation.
- (m) The Corporation is not required to be qualified as a foreign corporation to transact business in Indiana, North Carolina, Ohio, South Carolina and Florida.
- (n) Any pro forma financial statements of the Corporation and its subsidiaries and the related notes thereto incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein.

3. *Purchase and Sale.* Subject to the terms and conditions set forth herein, the Corporation agrees to issue and sell to each of the Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase from the Corporation, at a purchase price equal to \$987.50 per Share, the number of Shares set forth in Schedule I opposite the name of such Underwriter, plus any additional number of Shares which such Underwriter may become obligated to purchase pursuant to the provisions of Section 9 hereof, subject, in each case, to such adjustments among the Underwriters as the Representatives in their sole discretion shall make to eliminate any sales or purchases of fractional Shares. The Underwriters hereby agree to make a payment to us in an amount equal to \$2,500,000, including in respect of expenses incurred by us in connection with the offering of the Shares.

4. *Offering by the Underwriters.* It is understood that the several Underwriters propose to offer the Shares for sale to the public as set forth in the Pricing Disclosure Package and the Prospectus. The Corporation acknowledges and agrees that the Underwriters may offer and sell Shares to or through any affiliate of an Underwriter.

5. *Payment and Delivery.*

- (a) Payment for the Shares and the payment referred to in Section 3 herein shall be made by wire transfer in immediately available funds to the account specified to the Representatives by the Corporation in connection with a closing at the offices of Hunton Andrews Kurth LLP, 200 Park Avenue, 52nd Floor, New York, NY 10166, at 10:00 a.m., New York City time, on September 12, 2019, or at such other time or place on the same or such other date, not later than the fifth Business Day thereafter, as the Representatives and the Corporation may agree upon in writing. The time and date of such payment for the Shares is referred to herein as the "**Time of Delivery.**" Payment for the Shares to be purchased at the Time of Delivery shall be made against delivery to the Representatives for the respective accounts of the several Underwriters of the Shares to be purchased at the Time of Delivery, with any transfer taxes payable in connection with the sale of such Shares duly paid by the Corporation. Delivery of the Shares shall be made through the facilities of The Depository Trust Company ("**DTC**") unless the Representatives shall otherwise instruct.
- (b) The documents to be delivered at the Time of Delivery by or on behalf of the parties hereto shall be delivered at the offices of Hunton Andrews Kurth LLP, 200 Park Avenue, 52nd Floor, New York, NY 10166, or at such other place as shall be mutually agreed upon by you and the Corporation. For the purposes of this Section 5, "Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York, New York or Charlotte, North Carolina are generally authorized or obligated by law or executive order to close.

6. *Covenants of the Corporation.* The Corporation covenants and agrees with the several Underwriters that:

- (a) The Corporation will cause the Preliminary Prospectus and the Prospectus to be filed pursuant to, and in compliance with, Rule 424(b) of the 1933 Act Regulations, and advise the Underwriters promptly of the filing of any amendment or supplement to the Registration Statement, the Preliminary Prospectus or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement, and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.
- (b) If at any time when a prospectus relating to the Shares (or the notice referred to in Rule 173(a) of the 1933 Act Regulations) is required to be delivered under the 1933 Act any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Pricing Disclosure Package or the Prospectus to comply with the 1933 Act, the Corporation promptly will prepare and file with the Commission an amendment, supplement or an appropriate document pursuant to Section 13 or 14 of the 1934 Act which will correct such statement or omission or which will effect such compliance.
- (c) The Corporation, during the period when a prospectus relating to the Shares is required to be delivered under the 1933 Act, will timely file all documents required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act.
- (d) Without the prior consent of the Underwriters, the Corporation has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 of the 1933 Act Regulations, other than the Permitted Free Writing Prospectus; each Underwriter, severally and not jointly, represents and agrees that, without the prior consent of the Corporation, 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 of the 1933 Act Regulations, other than the Permitted Free Writing Prospectus or a free writing prospectus that is not required to be filed by the Corporation pursuant to Rule 433 of the 1933 Act Regulations ("Rule 433"); any such free writing prospectus (which shall include the pricing term sheet discussed in Section 6(e) below), the use of which has been consented to by the Corporation and the Underwriters, is listed on Schedule II hereto and herein is called the "**Permitted Free Writing Prospectus.**" The Corporation represents that it has treated or agrees that it will treat the Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to the Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping.

- (e) The Corporation agrees to prepare a pricing term sheet specifying the terms of the Shares not contained in the Preliminary Prospectus, substantially in the form of Schedule III hereto and approved by the Representatives on behalf of the Underwriters, and to file such pricing term sheet as an "issuer free writing prospectus" pursuant to Rule 433 prior to the close of business two business days after the date hereof.
- (f) The Corporation agrees that if at any time following the issuance of the Permitted Free Writing Prospectus any event occurs as a result of which such Permitted Free Writing Prospectus would conflict with the information (not superseded or modified as of the Effective Date) in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Corporation will give prompt notice thereof to the Underwriters and, if requested by the Underwriters, will prepare and furnish without charge to each Underwriter a free writing prospectus or other document, the use of which has been consented to by the Underwriters, which will correct such conflict, statement or omission.
- (g) The Corporation will make generally available to its security holders, in each case as soon as practicable but not later than 60 days after the close of the period covered thereby, earnings statements (in form complying with the provisions of Rule 158 under the 1933 Act, which need not be certified by independent certified public accountants unless required by the 1933 Act) covering (i) a twelve-month period beginning not later than the first day of the Corporation's fiscal quarter next following the Effective Date of the Registration Statement and (ii) a twelve-month period beginning not later than the first day of the Corporation's fiscal quarter next following the date of this Agreement.
- (h) The Corporation will furnish to you, without charge, copies of the Registration Statement (four of which will include all exhibits other than those incorporated by reference), the Pricing Disclosure Package and the Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as you may reasonably request.
- (i) The Corporation 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 Corporation shall not be required to qualify as a foreign corporation or to file any general consents to service of process under the laws of any state where it is not now so subject.

- (j) The Corporation will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the printing and filing of the Registration Statement and the printing of this Agreement and any Blue Sky Survey, (ii) the issuance and delivery of the Shares, as specified herein, (iii) any fees associated with the filing of the Certificate of Designations with the Secretary of State of the State of Delaware and the cost of preparing the Shares, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Shares to the Underwriters, (iv) the fees and disbursements of counsel for the Underwriters in connection with the qualification of the Shares under the securities laws of any jurisdiction in accordance with the provisions of Section 6(i) hereof and in connection with the preparation of the Blue Sky Survey, such fees not to exceed \$5,000, (v) the printing and delivery to the Underwriters, in quantities as hereinabove referred to, of copies of the Registration Statement and any amendments thereto, of the Preliminary Prospectus, of the Prospectus, of the Permitted Free Writing Prospectus and any amendments or supplements thereto, (vi) any fees charged by independent rating agencies for rating the Shares, (vii) any filing fee required by the Financial Industry Regulatory Authority, Inc., (viii) the costs of any depository arrangements for the Shares with DTC or any successor depository, (ix) any fees and expenses incurred in connection with the preparation and filing of the Registration Statement relating to the Shares and, if applicable, any expenses and application fees related to the listing of the Shares on the New York Stock Exchange and (x) the costs and expenses of the Corporation relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the 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 Corporation, travel and lodging expenses of the Underwriters and officers of the Corporation and any such consultants, and the cost of any aircraft chartered in connection with the road show; provided, however, the Underwriters shall reimburse a portion of the costs and expenses referred to in this clause (x).
- (k) During a period of 30 days from the date of the Prospectus, the Corporation will not, without the prior written consent of the Representatives, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer, dispose of, directly or indirectly, any shares of the Corporation's securities that are substantially similar to the Shares or any securities convertible into or exercisable or exchangeable for Shares.
- (l) The Corporation 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 Corporation 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 Underwriters.

7. *Conditions of the Obligations of the Underwriters.* The obligations of the several Underwriters to purchase and pay for the Shares at the Time of Delivery are subject to the accuracy of the representations and warranties on the part of the Corporation herein, to the accuracy of the statements of officers of the Corporation made pursuant to the provisions hereof, to the performance by the Corporation of its obligations hereunder and to the following additional conditions precedent:

- (a) The Prospectus shall have been filed by the Corporation with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for filing by the 1933 Act Regulations and in accordance herewith and the Permitted Free Writing Prospectus shall have been filed by the Corporation with the Commission within the applicable time periods prescribed for such filings by, and otherwise in compliance with, Rule 433.
- (b) At or after the Applicable Time and prior to the Time of Delivery, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the 1933 Act shall have been instituted or, to the knowledge of the Corporation or you, shall be threatened by the Commission.
- (c) At or after the Applicable Time and prior to the Time of Delivery, the rating assigned by Moody's Investors Service, Inc., S&P Global Ratings or Fitch Ratings, Inc. (or any of their successors) to any debt securities or preferred stock of the Corporation as of the date of this Agreement shall not have been lowered.
- (d) Since the respective most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus and up to the Time of Delivery, there shall not have been any material adverse change in the condition of the Corporation, financial or otherwise, except as reflected in or contemplated by the Pricing Disclosure Package and the Prospectus, and, since such dates and up to the Time of Delivery, there shall not have been any material transaction entered into by the Corporation other than transactions contemplated by the Pricing Disclosure Package and the Prospectus and transactions in the ordinary course of business, the effect of which in your reasonable judgment is so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated by the Pricing Disclosure Package and the Prospectus.
- (e) The Representatives shall have received an opinion of Robert T. Lucas III, Esq., Deputy General Counsel of Duke Energy Business Services LLC (who in such capacity provides legal services to the Corporation), the service company subsidiary of the Corporation, or other appropriate counsel reasonably satisfactory to the Representatives (which may include the Corporation's other "in-house" counsel), dated the Time of Delivery, to the effect that:
 - (i) Each of Duke Energy Ohio, Inc., Progress Energy, Inc., and Piedmont Natural Gas Company, Inc. has been duly incorporated and is validly existing in good standing under the laws of the jurisdiction of its incorporation and has the respective corporate power and authority and foreign qualifications necessary to own its properties and to conduct its business as described in the Pricing Disclosure Package and the Prospectus. Each of Duke Energy Carolinas, LLC, Duke Energy Florida, LLC, Duke Energy Indiana, LLC and Duke Energy Progress, LLC has been duly organized and is validly existing and in good standing as a limited liability company under the laws of the State of North Carolina, the State of Florida, the State of Indiana and the State of North Carolina, respectively, and has full limited liability company power and authority necessary to own its properties and to conduct its business as described in the Pricing Disclosure Package and the Prospectus.

- (ii) Each of the Corporation and the Principal Subsidiaries is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure to so qualify, considering all such cases in the aggregate, does not have a material adverse effect on the business, properties, financial condition or results of operations of the Corporation and its subsidiaries taken as a whole.
- (iii) The Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the 1933 Act.
- (iv) The descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and such counsel does not know of any litigation or any legal or governmental proceeding instituted or threatened against the Corporation or any of its Principal Subsidiaries or any of their respective properties that would be required to be disclosed in the Registration Statement, the Pricing Disclosure Package or the Prospectus and is not so disclosed.
- (v) This Agreement has been duly authorized, executed and delivered by the Corporation.
- (vi) The execution and filing of the Certificate of Designations have been duly authorized by the Corporation, and the Certificate of Designations has been duly executed and filed with the Secretary of State of the State of Delaware.
- (vii) The execution, delivery and performance by the Corporation of this Agreement and the Certificate of Designations, and the consummation by the Corporation of the transactions contemplated hereby and thereby, including the issuance and sale of the Shares and compliance by the Corporation with all of the provisions of this Agreement and the Certificate of Designations, will not violate or contravene any of the provisions of the Certificate of Incorporation or By-Laws of the Corporation or any statute or any order, rule or regulation of which such counsel is aware of any court or governmental agency or body having jurisdiction over the Corporation or any of its Principal Subsidiaries or any of their respective property, nor will such action conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Corporation or any of its Principal Subsidiaries is a party or by which any of them or their respective property is bound or to which any of its property or assets is subject which affects in a material way the Corporation's ability to perform its obligations under this Agreement or the Certificate of Designations.

- (viii) No consent, approval, authorization, order, registration or qualification is required to authorize, or for the Corporation to consummate the transactions contemplated by this Agreement or the Certificate of Designations, 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 Underwriters 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.
- (ix) The Shares have been duly authorized by the Corporation and when the Shares have been issued and delivered in accordance with this Agreement at the Time of Delivery, will be validly issued, fully paid and nonassessable; the Certificate of Designations will conform, as to legal matters, in all material respects to the descriptions thereof contained in the Pricing Disclosure Package and the Prospectus; and the stockholders of the Corporation have no statutory preemptive rights with respect to the Shares.
- (x) The Shares conform as to legal matters in all material respects to the descriptions thereof in (i) the Base Prospectus under the captions "Description of Preferred Stock" and (ii) the Pricing Disclosure Package and the Prospectus under the captions "Description of the Series B Preferred Stock."
- (xi) The Corporation's authorized capital stock is as set forth in the Pricing Disclosure Package and the Prospectus and all outstanding shares of common stock of the Corporation have been duly authorized and are validly issued, fully paid and nonassessable.

Such counsel may state that his opinion in paragraph (ix) is subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). Such counsel shall state that nothing has come to his attention that has caused him to believe that each document incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, when filed, was not, on its face, appropriately responsive, in all material respects, to the requirements of the 1934 Act and the 1934 Act Regulations. Such counsel shall also state that nothing has come to his attention that has caused him to believe that (i) the Registration Statement, including the Rule 430B Information, as of its effective date and at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Pricing Disclosure Package at the Applicable Time contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (iii) that the Prospectus, as of its date or the Time of Delivery, 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 the light of the circumstances under which they were made, not misleading. Such counsel may also state that, except as otherwise expressly provided in such opinion, he does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in or incorporated by reference into the Registration Statement, the Pricing Disclosure Package or the Prospectus and does not express any opinion or belief as to (i) the financial statements or other financial and accounting data contained or incorporated by reference therein or excluded therefrom, including XBRL interactive data 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 Corporation's other "in-house" counsel). Such counsel may also state that he has relied as to certain factual matters on information obtained from public officials, officers of the Corporation and other sources believed by him to be reliable.

- (f) The Representatives shall have received an opinion or opinions of Hunton Andrews Kurth LLP, counsel to the Corporation, dated the Time of Delivery, to the effect that:
 - (i) The Corporation has been duly incorporated and is a validly existing corporation in good standing under the laws of the State of Delaware.

- (ii) The Corporation has the corporate power and corporate authority to execute and deliver this Agreement and the Certificate of Designations and to consummate the transactions contemplated hereby and thereby.
- (iii) This Agreement has been duly authorized, executed and delivered by the Corporation.
- (iv) The execution and delivery by the Corporation of this Agreement and the Certificate of Designations do not and the performance of the Corporation's obligations thereunder, including the issuance and sale of the Shares hereunder and thereunder, will not (i) conflict with the Corporation's Certificate of Incorporation or By-Laws, (ii) constitute a violation of, or a breach of or default under, the terms of any of the contracts set forth on Schedule IV 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 this Agreement and the Certificate of Designations by the Corporation or the consummation by the Corporation of the transactions contemplated hereby or thereby, including the issuance and sale of the Shares, except for (A) registration of the Shares under the 1933 Act, (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 Underwriters and (C) the filing of the Certificate of Designations with the Secretary of the State of Delaware. "Governmental Approval" means any consent, approval, license, authorization or validation of, or filing, qualification or registration with, any Governmental Authority required to be made or obtained by the Corporation pursuant to Applicable Laws, other than any consent, approval, license, authorization, validation, filing, qualification or registration that may have become applicable as a result of the involvement of any party (other than the Corporation) in the transactions contemplated by this Agreement or because of such parties' legal or regulatory status or because of any other facts specifically pertaining to such parties and "Governmental Authority" means any court, regulatory body, administrative agency or governmental body of the State of North Carolina, the State of New York or the State of Delaware or the United States of America having jurisdiction over the Corporation under Applicable Law but excluding the North Carolina Utilities Commission, the New York Public Service Commission and the Delaware Public Service Commission.

- (vi) The Shares have been duly authorized by the Corporation and when the Shares have been issued and delivered in accordance with this Agreement at the Time of Delivery, 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 Shares; there are no preemptive or other similar rights to subscribe for or to purchase Shares pursuant to the Certificate of Incorporation or By-Laws of the Corporation or any agreement or other instrument filed or incorporated by reference therein, or as an exhibit to, the Registration Statement.
- (vii) The Corporation 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 subject to registration and regulation as an "investment company," as such term is defined in the Investment Company Act of 1940, as amended.
- (viii) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Underwriting (Conflicts of Interest)," insofar as such statements purport to summarize certain provisions of this Agreement, fairly summarize such provisions in all material respects.
- (ix) The statements set forth (i) under the caption "Description of Preferred Stock" that is included in the Base Prospectus and (ii) under the caption "Description of the Series B Preferred Stock" in the Pricing Disclosure Package and the Prospectus, insofar as such statements purport to summarize the terms of the Shares, fairly summarize such terms in all material respects.
- (x) The statements set forth under the caption "Material U.S. Federal Income Tax Considerations," in the Pricing Disclosure Package and the Prospectus insofar as they purport to constitute summaries of matters of United States federal income tax law, constitute accurate and complete summaries, in all material respects, subject to the qualifications set forth therein.

The Representatives shall also have received a statement of Hunton Andrews Kurth LLP, dated the Time of Delivery, to the effect that:

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

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

Hunton Andrews Kurth LLP may state that its opinion in paragraph (viii) is subject to the effects of bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). In addition, such counsel may state that it has relied as to certain factual matters on information obtained from public officials, officers and representatives of the Corporation and that the signatures on all documents examined by them are genuine, assumptions which such counsel have not independently verified.

- (g) The Representatives shall have received an opinion of Sidley Austin LLP, counsel for the Underwriters, dated the Time of Delivery, with respect to the validity of the Shares, the Registration Statement, the Pricing Disclosure Package and the Prospectus, as amended or supplemented, and such other related matters as you may require, and the Corporation shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.
- (h) On or after the Applicable Time, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally or of the securities of the Corporation, on the New York Stock Exchange; or (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities or a material disruption in commercial banking services or securities settlement or clearance services in the United States; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this subsection (h) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at the Time of Delivery on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus. In such event there shall be no liability on the part of any party to any other party except as otherwise provided in Section 8 hereof and except for the expenses to be borne by the Corporation as provided in Section 6(k) hereof.
- (i) The Representatives shall have received a certificate of the Chairman of the Board, the President, any Vice President, the Secretary or an Assistant Secretary and any financial or accounting officer of the Corporation, dated the Time of Delivery, in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Corporation in this Agreement are true and correct as of the Time of Delivery, that the Corporation has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Time of Delivery, that the conditions specified in Section 7(c) and Section 7(d) hereof have been satisfied, and that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened by the Commission.
- (j) At the time of the execution of this Agreement, the Representatives shall have received a letter dated such date, in form and substance satisfactory to the Representatives, from Deloitte & Touche LLP, the Corporation's independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference into the Registration Statement, the Pricing Disclosure Package and the Prospectus, including specific references to inquiries regarding any increase in long-term debt (excluding current maturities), decrease in net current assets (defined as current assets less current liabilities) or shareholders' equity, change in the Corporation's common stock, and decrease in operating revenues or net income for the period subsequent to the latest financial statements incorporated by reference in the Registration Statement when compared with the corresponding period from the preceding year, as of a specified date not more than three business days prior to the date of this Agreement.

- (k) At the Time of Delivery, you shall have received from Deloitte & Touche LLP, a letter, dated the Time of Delivery, to the effect that such accountants reaffirm the statements made in the letter furnished pursuant to subsection (j) of this Section 7, except that the specified date referred to shall be a date not more than three business days prior to the Time of Delivery.
- (l) The Shares shall be eligible for clearance and settlement through DTC.
- (m) The Certificate of Designations shall have been filed on or before the Time of Delivery with the Secretary of State of the State of Delaware.
- (n) The Corporation will furnish you with such conformed copies of such opinions, certificates, letters and documents as you reasonably request.

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

- (i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto) including the Rule 430B Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto), any Permitted Free Writing Prospectus, any issuer free writing prospectus as defined in Rule 433 or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission or such alleged statement or omission was made in reliance upon and in conformity with written information furnished to the Corporation by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus;

- (ii) against any and all loss, liability, claim, damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Corporation; and
- (iii) against any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) of this Section 8.

In no case shall the Corporation be liable under this indemnity agreement with respect to any claim made against any Underwriter or any such controlling person unless the Corporation shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof, but failure so to notify the Corporation shall not relieve it from any liability which it may have otherwise than under subsections 8(a) and 8(b). The Corporation shall be entitled to participate at its own expense in the defense, or, if it so elects, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Underwriter or Underwriters or controlling person or persons, or defendant or defendants in any suit so brought, which approval shall not be unreasonably withheld. In any such suit, any Underwriter or any such controlling person shall have the right to employ its own counsel, but the fees and expenses of such counsel shall be at the expense of such Underwriter or such controlling person unless (i) the Corporation and such Underwriter shall have mutually agreed to the employment of such counsel, or (ii) the named parties to any such action (including any impleaded parties) include both such Underwriter or such controlling person and the Corporation and such Underwriter or such controlling person shall have been advised by such counsel that a conflict of interest between the Corporation and such Underwriter or such controlling person may arise and for this reason it is not desirable for the same counsel to represent both the indemnifying party and also the indemnified party (it being understood, however, that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all such Underwriters and all such controlling persons, which firm shall be designated in writing by you). The Corporation agrees to notify you within a reasonable time of the assertion of any claim against it, any of its officers or directors or any person who controls the Corporation within the meaning of Section 15 of the 1933 Act, in connection with the sale of the Shares.

- (b) Each Underwriter, severally and not jointly, agrees that it will indemnify and hold harmless the Corporation, its directors and each of the officers of the Corporation who signed the Registration Statement and each person, if any, who controls the Corporation within the meaning of Section 15 of the 1933 Act to the same extent as the indemnity contained in subsection (a) of this Section, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Corporation by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Corporation or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Corporation, and the Corporation and each person so indemnified shall have the rights and duties given to the Underwriters by the provisions of subsection (a) of this Section.

- (c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.
- (d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage, and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Corporation on the one hand and the Underwriters on the other from the offering of the 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 Corporation on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Corporation on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Corporation bear to the total compensation received by the Underwriters in respect of the underwriting discount as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Corporation on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Corporation and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages, or expenses (or actions in respect thereof) referred to above in this Section shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

9. *Default by One or More of the Underwriters.*

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

- (b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you or the Corporation as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-tenth of the aggregate number of all the Shares to be purchased at the Time of Delivery, then the Corporation shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at the Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder at the Time of Delivery) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.
- (c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you or the Corporation as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-tenth of the aggregate number of all the Shares to be purchased at the Time of Delivery, or if the Corporation shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Corporation, except for the expenses to be borne by the Corporation as provided in Section 6(k) hereof and the indemnity and contribution agreement in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. *Survival.* The respective indemnities, rights of contribution, agreements, representations, warranties and other statements of the Corporation or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or the Corporation, or any of its officers or directors or any controlling person, and shall survive delivery of and payment for the Shares.

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

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

13. *Recognition of the U.S. Special Resolution Regimes.*

- (i) In the event that any Underwriter that is a Covered Entity (as defined below) becomes subject to a proceeding under a U.S. Special Resolution Regime (as defined below), the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.
- (ii) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate (as defined below) of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights (as defined below) under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 13:

“**BHC Act Affiliate**” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“**Covered Entity**” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

14. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed or telecopied and confirmed to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax no.: (646) 834-8133); Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, New York 10010, Attention: IBCM-Legal (Fax no.: (212) 743-1953); Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282-2198, Attention: Registration Department; J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179, Attention: Equity Syndicate Desk; or, if sent to the Corporation, will be mailed or telecopied and confirmed to it at 550 S. Tryon Street, Charlotte, North Carolina 28202, (Fax no.: (980) 373-3699), attention of Assistant Treasurer; provided, however, that any notice to an Underwriter pursuant to Section 8 hereof shall be delivered or sent by mail or teletype to such Underwriter at its address or teletype number set forth in its Underwriters' Questionnaire or telex constituting such Questionnaire, which address or teletype number will be supplied to the Corporation by the Representatives. Any such communications shall take effect upon receipt thereof.

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

16. *Successors.* This Agreement shall inure to the benefit of and be binding upon the Underwriters and the Corporation and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons, officers and directors referred to in Section 8 hereof and their respective successors, heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained; this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons, officers and directors and their respective successors, heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Shares from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

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

18. *Applicable Law.* This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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

Very truly yours,

DUKE ENERGY CORPORATION

By: /s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

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Confirmed and accepted as of the date first
above written.

Barclays Capital Inc.

By: /s/ Andrew N. Pocius
Name: Andrew N. Pocius
Title: Managing Director

Credit Suisse Securities (USA) LLC

By: /s/ Nevin Bhatia
Name: Nevin Bhatia
Title: Managing Director

Goldman Sachs & Co. LLC

By: /s/ Adam Greene
Name: Adam Greene
Title: Managing Director

J.P. Morgan Securities LLC

By: /s/ Robert Bottamedi
Name: Robert Bottamedi
Title: Executive Director

On behalf of themselves and each of the Underwriters listed on Schedule I hereto.

SCHEDULE I

Underwriter	Total Number of Shares to be Purchased
Barclays Capital Inc.	230,000
Credit Suisse Securities (USA) LLC	230,000
Goldman Sachs & Co. LLC	230,000
J.P. Morgan Securities LLC	230,000
Regions Securities LLC	23,000
Santander Investment Securities Inc.	23,000
The Williams Capital Group, L.P.	23,000
CastleOak Securities, L.P.	3,700
Drexel Hamilton, LLC	3,700
Siebert Cisneros Shank & Co., L.L.C.	3,600
Total Shares	1,000,000

SCHEDULE II

Pricing Disclosure Package

- 1) Base Prospectus
- 2) Preliminary Prospectus Supplement dated September 9, 2019
- 3) Permitted Free Writing Prospectus
 - a) Pricing Term Sheet attached as Schedule III hereto

SCHEDULE III

*Filed pursuant to Rule 433
 September 9, 2019
 Relating to
 Preliminary Prospectus Supplement dated September 9, 2019
 to
 Prospectus dated March 25, 2019
 Registration Statement No. 333-213765*

DUKE ENERGY CORPORATION

1,000,000 Shares of
 4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock
 (Liquidation Preference of \$1,000 Per Share)

Pricing Term Sheet

Issuer:	Duke Energy Corporation (the "Issuer")
Security:	4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.001 per share ("Preferred Stock").
Liquidation Preference:	\$1,000 per share of Preferred Stock
Size:	\$1,000,000,000
Term:	Perpetual
Dividend Rate:	The initial dividend rate for the Preferred Stock from and including the date of original issue to, but excluding, September 16, 2024 (the "First Call Date") will be 4.875% per annum of the \$1,000 liquidation preference per share of Preferred Stock. On and after the First Call Date, the dividend rate on the Preferred Stock for each Reset Period (as defined herein) will be equal to the Five-year U.S. Treasury Rate (as defined herein) as of the most recent Reset Dividend Determination Date (as defined herein) plus a spread of 3.388%.
Dividend Payment Dates:	March 16 and September 16, commencing on March 16, 2020 A pro-rated initial dividend on the Preferred Stock will be payable on March 16, 2020 in an amount equal to approximately \$24.9167 per share of Preferred Stock, when, as and if declared by the Board or any duly authorized committee of the Board.
Trade Date:	September 9, 2019
Settlement Date:	September 12, 2019 (T+3)

Optional Redemption:	The Issuer may, at its option, redeem the Preferred Stock: <ul style="list-style-type: none"> • in whole or in part, from time to time, on the First Call Date or on any subsequent Reset Date (as defined herein) at a redemption price in cash equal to \$1,000 per share of Preferred Stock; or • in whole but not in part, at any time within 120 days after the conclusion of any review or appeal process instituted by the Issuer following the occurrence of a Ratings Event (as defined herein), at a redemption price in cash equal to \$1,020 per share of Preferred Stock (102% of the liquidation preference of \$1,000 per share), plus, in each case, all accumulated and unpaid dividends (whether or not declared) to, but excluding, such redemption date.
Public Offering Price:	\$1,000 per share of Preferred Stock
Underwriting Discount:**	\$12.50 per share of Preferred Stock
No Listing:	The Issuer does not intend to apply to list the Preferred Stock on any securities exchange.
Joint Book-Running Managers:	Barclays Capital Inc. Credit Suisse Securities (USA) LLC Goldman Sachs & Co. LLC J.P. Morgan Securities LLC
Co-Managers:	Regions Securities LLC Santander Investment Securities Inc. The Williams Capital Group, L.P.
Junior Co-Managers:	CastleOak Securities, L.P. Drexel Hamilton, LLC Siebert Cisneros Shank & Co., L.L.C.
CUSIP/ISIN:	26441C BG9 / US26441CBG96

** The Underwriters have agreed to make a payment to the Issuer in an amount equal to \$2,500,000, including in respect of expenses incurred by the Issuer in connection with the offering of the Preferred Stock.

“Five-year U.S. Treasury Rate” means, as of any Reset Dividend Determination Date, as applicable, (i) an interest rate (expressed as a decimal) determined to be the per annum rate equal to the arithmetic mean of the five most recent daily yields to maturity for U.S. Treasury securities with a maturity of five years from the next Reset Date and trading in the public securities markets or (ii) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate will be determined by interpolation between the arithmetic mean of the five most recent daily yields to maturity for each of the two series of U.S. Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Reset Dividend Determination Date, and (B) the other maturity as close as possible to, but later than, the Reset Date following the next succeeding Reset Dividend Determination Date, in each case as published in the most recent H.15. If the Five-year U.S. Treasury Rate cannot be determined pursuant to the methods described in clauses (i) or (ii) above, then the Five-year U.S. Treasury Rate will be the same interest rate determined for the prior Reset Dividend Determination Date.

“H.15” means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the U.S. Federal Reserve System.

“Most recent H.15” means the H.15 published closest in time but prior to the close of business on the second business day prior to the applicable Reset Date.

“Reset Date” means the First Call Date and each date falling on the fifth anniversary of the preceding Reset Date.

“Reset Dividend Determination Date” means, in respect of any Reset Period, the day falling two business days prior to the beginning of such Reset Period.

“Reset Period” means the period from and including the First Call Date to, but excluding, the next following Reset Date and thereafter each period from and including each Reset Date to, but excluding, the next following Reset Date.

“Ratings Event” means that any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended, or in any successor provision thereto, that then publishes a rating for us (a “rating agency”) amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Preferred Stock, which amendment, clarification or change results in:

- the shortening of the length of time the Preferred Stock is assigned a particular level of equity credit by that rating agency as compared to the length of time they would have been assigned that level of equity credit by that rating agency or its predecessor on the initial issuance of the Preferred Stock; or
- the lowering of the equity credit (including up to a lesser amount) assigned to the Preferred Stock by that rating agency as compared to the equity credit assigned by that rating agency or its predecessor on the initial issuance of the Preferred Stock.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Barclays Capital Inc. toll-free at 888-603-5847, Credit Suisse Securities (USA) LLC toll-free at 800-221-1037, Goldman Sachs & Co. LLC toll-free at 866-471-2526 or J.P. Morgan Securities LLC at 212-834-4533.

SCHEDULE IV

Material Agreements

Credit Agreement, dated as of November 18, 2011, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc. and Duke Energy Kentucky, Inc., as Borrowers, the lenders listed therein, Wells Fargo Bank, National Association, as Administrative Agent, Bank of America, N.A. and The Royal Bank of Scotland plc, as Co Syndication Agents and Bank of China, New York Branch, Barclays Bank PLC, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, Industrial and Commercial Bank of China Limited, New York Branch, JPMorgan Chase Bank, N.A. and UBS Securities LLC, as Co-Documentation Agents, as amended by Amendment No. 1 and Consent, dated as of December 18, 2013 and by Amendment No. 2 and Consent, dated as of January 30, 2015, each between Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc., Duke Energy Progress, Inc., Duke Energy Florida, Inc., the lenders party thereto, the issuing lenders party thereto and Wells Fargo Bank, National Association, as further amended by Amendment No. 3 and Consent, dated as of March 16, 2017, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Duke Energy Progress, LLC, Duke Energy Florida, LLC, and Piedmont Natural Gas Company, Inc., the lenders party thereto, the issuing lenders party thereto, and Wells Fargo Bank, National Association, and as further amended by Amendment No. 4 and Consent, dated as of March 18, 2019, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Duke Energy Progress, LLC, Duke Energy Florida, LLC, and Piedmont Natural Gas Company, Inc., the Lenders party thereto, the Issuing Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender.

Credit Agreement, dated as of May 15, 2019, among Duke Energy Corporation, as Borrower, the lenders listed therein, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents and The Bank of Nova Scotia, PNC Capital Markets LLC, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Joint Lead Arrangers and Joint Bookrunners.