SCHEDULE A

Underwriter	Principal Amount of Bonds to be Purchased
BNP Paribas Securities Corp.	$ 105,000,000
MUFG Securities Americas Inc.	105,000,000
RBC Capital Markets, LLC	105,000,000
SMBC Nikko Securities America, Inc.	105,000,000
TD Securities (USA) LLC	105,000,000
U.S. Bancorp Investments, Inc.	105,000,000
Loop Capital Markets LLC	42,000,000
Siebert Williams Shank & Co., LLC	21,000,000
Academy Securities, Inc.	3,500,000
Mischler Financial Group, Inc.	3,500,000
Total	$ 700,000,000

SCHEDULE B

PRICING DISCLOSURE PACKAGE

1) Base Prospectus
2) Preliminary Prospectus Supplement dated November 21, 2019
3) Permitted Free Writing Prospectus
    a) Pricing Term Sheet attached as Schedule C hereto

SCHEDULE C

Filed pursuant to Rule 433
November 21, 2019
Relating to
Preliminary Prospectus Supplement dated November 21, 2019
to
Prospectus dated September 23, 2019
Registration Statement No. 333-233896-05

Duke Energy Florida, LLC
First Mortgage Bonds,
$700,000,000 2.50% Series due 2029

Pricing Term Sheet

Issuer:	Duke Energy Florida, LLC
Trade Date:	November 21, 2019
Settlement Date:	November 26, 2019; T + 3
Interest Payment Dates:	June 1 and December 1, beginning on June 1, 2020
Security Description:	First Mortgage Bonds, 2.50% Series due 2029 (the "**Mortgage Bonds**")
Principal Amount:	$700,000,000
Maturity Date:	December 1, 2029
Price to Public:	99.947% per Mortgage Bond, plus accrued interest, if any, from November 26, 2019
Coupon:	2.50%
Benchmark Treasury:	1.750% due November 15, 2029
Benchmark Treasury Yield:	1.776%
Spread to Benchmark Treasury:	+ 73 bps
Yield to Maturity:	2.506%
Redemption Provisions/Make-Whole Call:	At any time before September 1, 2029 (which is the date that is three months prior to maturity of the Mortgage Bonds (the "**Par Call Date**")), redeemable at the Treasury Rate + 15 bps. At any time on or after the Par Call Date, redeemable at par.
CUSIP / ISIN:	26444HAH4 / US26444HAH49
Joint Book-Running Managers:	BNP Paribas Securities Corp. MUFG Securities Americas Inc. RBC Capital Markets, LLC SMBC Nikko Securities America, Inc. TD Securities (USA) LLC U.S. Bancorp Investments, Inc.
Co-Managers:	Loop Capital Markets LLC Siebert Williams Shank & Co., LLC Academy Securities, Inc. 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 BNP Paribas Securities Corp. toll free at 1-800-854-5674, MUFG Securities Americas Inc. toll free at 1-877-649-6848, RBC Capital Markets, LLC toll free at 1-866-375-6829, SMBC Nikko Securities America, Inc. toll free at 1-888-868-6856, TD Securities (USA) LLC toll free at 1-855-495-9846 or U.S. Bancorp Investments, Inc. toll free at 1-877-558-2607.

Exhibit 99.2

Execution Version

DUKE ENERGY FLORIDA, LLC

$200,000,000 SERIES A FLOATING RATE SENIOR NOTES DUE 2021

UNDERWRITING AGREEMENT

November 21, 2019

CastleOak Securities, L.P.
C.L. King & Associates, Inc.
Drexel Hamilton, LLC
Great Pacific Securities
PNC Capital Markets LLC
Samuel A. Ramirez & Company, Inc.

As Representatives of the several Underwriters

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

Ladies and Gentlemen:

Introductory. DUKE ENERGY FLORIDA, LLC, a Florida limited liability company (the "**Company**"), proposes, subject to the terms and conditions stated herein, to issue and sell $200,000,000 aggregate principal amount of Series A Floating Rate Senior Notes due 2021 (the "**Notes**"), to be issued pursuant to the Indenture (for Debt Securities) between the Company and The Bank of New York Mellon, as successor trustee (the "**Trustee**"), dated as of December 7, 2005 (the "**Original Indenture**"), as supplemented by the Second Supplemental Indenture, to be dated as of November 21, 2019 (the **Supplemental Indenture**") (the Original Indenture, as so supplemented, being hereinafter called the "**Indenture**"). CastleOak Securities, L.P., C.L. King & Associates, Inc., Drexel Hamilton, LLC, Great Pacific Securities, PNC Capital Markets LLC and Samuel A. Ramirez & Company, 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 Notes for sale upon the terms and conditions contemplated by (i) this Agreement and (ii) the Base Prospectus, the Preliminary Prospectus and any Permitted Free Writing Prospectus (each as defined below) issued at or prior to the Applicable Time (as defined below) (the documents referred to in the foregoing subclause (ii) are referred to herein as the "**Pricing Disclosure Package**").

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

(a) A registration statement (No. 333-233896-05), including a prospectus, relating to the Notes and certain other securities has been filed with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933, as amended (the "**1933 Act**"). Such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, became effective upon filing with the Commission pursuant to Rule 462 of the rules and regulations of the Commission under the 1933 Act (the "**1933 Act Regulations**"), and no stop order suspending the effectiveness of such registration statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the 1933 Act has been initiated or threatened by the Commission (if prepared, any preliminary prospectus supplement specifically relating to the Notes immediately prior to the Applicable Time included in such registration statement or filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations being hereinafter called a "**Preliminary Prospectus**"); the term "**Registration Statement**" means the registration statement as deemed revised pursuant to Rule 430B(f)(1) of the 1933 Act Regulations on the date of such registration statement's effectiveness for purposes of Section 11 of the 1933 Act, as such section applies to the Company and the Underwriters for the Notes pursuant to Rule 430B(f)(2) of the 1933 Act Regulations (the "**Effective Date**"), including all exhibits thereto and including the documents incorporated by reference in the prospectus contained in the Registration Statement at the time such part of the Registration Statement became effective; the term "**Base Prospectus**" means the prospectus filed with the Commission on the date hereof by the Company; and the term "**Prospectus**" means the Base Prospectus together with the prospectus supplement specifically relating to the Notes prepared in accordance with the provisions of Rule 430B and promptly filed after execution and delivery of this Agreement pursuant to Rule 430B or Rule 424(b) of the 1933 Act Regulations; any information included in such Prospectus that was omitted from the Registration Statement at the time it became effective but that is deemed to be a part of and included in such registration statement pursuant to Rule 430B is referred to as "**Rule 430B Information**;" and any reference herein to the Registration Statement, Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein, prior to the date hereof; any reference to any amendment or supplement to any Preliminary Prospectus or Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the 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 3:15 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 (A) the Registration Statement, as of its original effective date, as of the date of any amendment, 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 (B) (i) the Pricing Disclosure Package, as of the Applicable Time, did not, (ii) the Prospectus and any amendment or supplement thereto, as of their dates, will not, and (iii) the Prospectus as of the Closing Date will not, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the 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, the Preliminary Prospectus or the Prospectus.

(c) Any Permitted Free Writing Prospectus specified on Schedule B hereto as of its issue date and at all subsequent times through the completion of the public offer and sale of the Notes or until any earlier date that the Company notified or notifies the Underwriters as described in Section 5(f) did not, does not and will not include any information that conflicts with the information (not superseded or modified as of the Effective Date) contained in the Registration Statement, any Preliminary Prospectus or the Prospectus.

(d) At the earliest time the 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 Notes, 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, (a) at the time the Registration Statement became effective, (b) at the Applicable Time and (c) on the Closing Date did not, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) The 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 Articles of Organization, the 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 Florida Public Service Commission and the registration under the 1933 Act of the Notes, 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 Notes by the Underwriters.

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

(i) The Original Indenture 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 Indenture constitutes a valid and legally binding instrument of the Company enforceable against the Company in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws affecting creditors' rights generally and (ii) general principles of equity and any implied covenant of good faith and fair dealing (regardless of whether such enforceability is considered in a proceeding at law or in equity and except for the effect on enforceability of federal or state law limiting, delaying or prohibiting the making of payments outside the United States).

(j) The Notes have been duly authorized and when executed by the Company, and when authenticated by the Trustee, in the manner provided in the Indenture and delivered against payment therefor, will constitute valid and legally binding obligations of the 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 creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and are entitled to the benefits afforded by the Indenture in accordance with the terms of the Indenture and the Notes, except as set forth in paragraph (i) above.

(k) Any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument filed or incorporated by reference as an exhibit to the Registration Statement or the Annual Report on Form 10-K of the 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 a 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.

(m) The Company (i) is a limited liability company duly organized and validly existing in good standing under the laws of the State of Florida and (ii) is duly qualified to do business in each jurisdiction where the failure to be so qualified would materially adversely affect the ability of the Company to perform its obligations under this Agreement, the Indenture or the Notes.

(n) The Company has no outstanding debt securities secured by a mortgage or lien on any of its properties or assets, except (i) as otherwise permitted under the indenture between the Company and The Bank of New York Mellon, as successor trustee, dated as of January 1, 1944, as amended and supplemented and (ii) as disclosed in footnote 13 to the financial statements in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019 relating to (a) Duke Energy Florida Receivables, LLC's receivables financing and (b) Duke Energy Florida Project Finance, LLC's nuclear asset recovery bonds.

3. *Purchase, Sale and Delivery of Notes.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the 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 99.750% of the principal amount of the Notes plus accrued interest, if any, from November 26, 2019 (and in the manner set forth below), the principal amount of Notes set forth opposite the name of each Underwriter on Schedule A hereto plus the principal amount of additional Notes which each such Underwriter may become obligated to purchase pursuant to the provisions of Section 8 hereof. The Underwriters hereby also agree to reimburse the Company for expenses incurred in connection with the offering of the Notes in an aggregate amount equal to $100,000.

Payment of the purchase price for the Notes to be purchased by the Underwriters and the reimbursement 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 Notes, in fully registered form, to you or upon your order at 10:00 a.m., New York City time, on November 26, 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 Notes shall be delivered in the form of one or more global certificates in aggregate denomination equal to the aggregate principal amount of the Notes upon original issuance, and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"). All other documents referred to herein that are to be delivered at the Closing Date shall be delivered at that time at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019.

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

5. *Covenants of the 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 Notes (or the notice referred to in Rule 173(a) of the 1933 Act Regulations) is required to be delivered under the 1933 Act any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Pricing Disclosure Package or the Prospectus to comply with the 1933 Act, the 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 Notes is required to be delivered under the 1933 Act, will timely file all documents required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act.

(d) Without the prior consent of the Underwriters, the Company has not made and will not make any offer relating to the Notes that would constitute a "free writing prospectus" as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus; each Underwriter, severally and not jointly, represents and agrees that, without the prior consent of the Company, it has not made and will not make any offer relating to the Notes that would constitute a "free writing prospectus" as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus or a free writing prospectus that is not required to be filed by the 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 Notes not contained in any Preliminary Prospectus, substantially in the form of Schedule C hereto and approved by the Representatives on behalf of the Underwriters, and to file such pricing term sheet as an "issuer free writing prospectus" pursuant to Rule 433 prior to the close of business two business days after the date hereof.

(f) The 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; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Pricing Disclosure Package or the Prospectus.

(g) The Company will 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 Notes for sale under the laws of such jurisdictions as you designate and will continue such qualifications in effect so long as required for the distribution; provided, however, that the 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 Notes, (iii) the issuance and delivery of the Notes as specified herein, (iv) the fees and disbursements of counsel for the Underwriters in connection with the qualification of the Notes under the securities laws of any jurisdiction in accordance with the provisions of Section 5(i) and in connection with the preparation of the Blue Sky Survey, such fees not to exceed $5,000, (v) the printing and delivery to the Underwriters, in quantities as hereinabove referred to, of copies of the Registration Statement and any amendments thereto, of any Preliminary Prospectus, of the Prospectus, of any Permitted Free Writing Prospectus and any amendments or supplements thereto, (vi) any fees charged by independent rating agencies for rating the Notes, (vii) any fees and expenses in connection with the listing of the Notes on the New York Stock Exchange LLC, (viii) any filing fee required by the Financial Industry Regulatory Authority, Inc. (ix) the costs of any depository arrangements for the Notes with DTC or any successor depositary 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 Notes, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the 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 Notes 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 Notes on the terms and in the manner contemplated by the Pricing Disclosure Package and the Prospectus.

(e) You shall have received an opinion of Dianne M. Triplett, 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 Florida, 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 Notes by the Company and the execution, delivery and performance by the Company of this Agreement, the Indenture and the Notes will not contravene any of the provisions of the Articles of Organization or the Limited Liability Company Operating Agreement, the Florida Revised 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 which affects in a material way the Company's ability to perform its obligations under this Agreement, the Indenture or the Notes.

(vii) The Florida Public Service Commission has issued an appropriate order with respect to the issuance and sale of the Notes in accordance with this Agreement, and, to the best of such counsel's knowledge, such order is still in effect and the issuance and sale of the Notes to the Underwriters are in conformity with the terms of such order.

(viii) The Indenture has been duly qualified under the 1939 Act.

(ix) The Indenture has been duly and validly authorized by all necessary limited liability company action, has been duly and validly executed and delivered by the Company.

(x) The Notes have been duly authorized, executed and issued by the Company.

(xi) No consent, approval, authorization, order, registration or qualification of or with any federal or Florida governmental agency or body or, to such counsel's knowledge, any federal or Florida court, which has not been obtained or taken and is not in full force and effect, is required for the issue and sale of the Notes by the Company and the compliance by the Company with all of the provisions of this Agreement, except for the registration under the 1933 Act of the Notes, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Notes by the Underwriters.

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 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 Debt Securities" in the Base Prospectus and (ii) under the caption "Description of the Notes" in the Pricing Disclosure Package and the Prospectus, insofar as such statements purport to summarize certain provisions of the Indenture and the Notes, fairly summarize such provisions in all material respects.

(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 Notes and the application of the proceeds thereof as described in the Prospectus, will not be subject to registration and regulation as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(iv) 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.

(v) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Certain U.S. Federal Income Tax Considerations for Non-U.S. Holders," insofar as 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.

(vi) The Indenture constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(vii) The Notes, when duly authorized and executed by the Company, duly authenticated by the Trustee in accordance with the provisions of the Indenture and delivered by the Company against payment therefor in accordance with the terms of the Agreement and the Indenture, will constitute the valid and binding obligations of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms.

Such counsel may state that such counsel's opinions in paragraphs (vii) and (viii) above are subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and to an implied covenant of good faith and fair dealing. 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 State of New York having jurisdiction over the Company under Applicable Laws and the Federal Energy Regulatory Commission, but excluding the New York State Public Service Commission; and (iii) "Applicable Laws" means those laws, rules and regulations of the State of New York and those federal laws, rules and regulations of the United States, in each case, that, in such counsel's experience, are normally applicable to transactions of the type contemplated by this Agreement (other than the antifraud provisions of 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., 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) no facts have come to such counsel's attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time, and the Prospectus, as of its date, 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 Indenture has been qualified under the 1939 Act, and that based solely on such counsel's review of the Commission's website, no stop order suspending the effectiveness of the Registration Statement has been issued and, to such counsel's knowledge, no proceedings for that purpose have been instituted or are pending or threatened by the Commission. In addition, such counsel may state that such counsel does not pass upon, or assume any responsibility for, the accuracy, completeness or fairness of the statements contained or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus and has made no independent check or verification thereof (except to the limited extent referred to in Section 6(f)(i), (iv) and (v) 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 Dianne M. Triplett, Esq. (or other appropriate counsel reasonably satisfactory to the Representatives) as to matters of Florida 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 Notes on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus. In such event there shall be no liability on the part of any party to any other party except as otherwise provided in Section 7 hereof and except for the expenses to be borne by the 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 Notes.

(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, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Company or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each person so indemnified shall have the rights and duties given to the Underwriters, by the provisions of subsection (a) of this Section 7.

(c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Notes. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the 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 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Notes underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

8. *Default by One or More of the Underwriters.* (a) If any Underwriter shall default in its obligation to purchase the principal amount of the Notes, 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 Notes, 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 Notes, 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 Notes 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 Notes, or the Company notifies you that it has so arranged for the purchase of such Notes, 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 with like effect as if such person had originally been a party to this Agreement with respect to such Notes.

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

(c) If, after giving effect to any arrangements for the purchase of the Notes of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Notes which remains unpurchased exceeds one-tenth of the aggregate amount of all the Notes to be purchased at such Closing Date, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase the Notes of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the 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, and will survive delivery of and payment for the Notes.

10. *Reliance on Your Acts.* In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the 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 Notes 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 CastleOak Securities, L.P., 110 East 59th Street, 2nd Floor, New York, New York 10022, Attention: Philip Ippolito, Facsimile: (212) 308-7342; C.L. King & Associates, Inc., 410 Park Avenue, Suite 1620, New York, New York 10022, Attention: Anne Serewicz, Facsimile: (518) 431-3556; Drexel Hamilton, LLC, 77 Water Street, Suite 201, New York, New York 10005, Attention: Jeremy Traska, Facsimile: (646) 412-1500; Great Pacific Securities, 151 Kalmus Drive, Suite H-8, Costa Mesa, CA 92626, Attention: Christopher Vinck-Luna, Facsimile: (714) 619-3019; PNC Capital Markets LLC, 300 Fifth Avenue, 10th Floor, Pittsburgh, PA 15222, Attention: Debt Capital Markets, Transaction Execution, Facsimile No.: (412) 762-2760; and Samuel A. Ramirez & Company, Inc., 61 Broadway, 29th Floor New York, New York 10006, Attention: Raymond O'Connor, Managing Director, Facsimile: (212) 248-3856; or if sent to the Company, will be mailed or telecopied and confirmed to it at 550 North Tryon Street, Charlotte, North Carolina 28202, Attention: John L. Sullivan, III, Assistant Treasurer, Telephone: (980) 373-3564, (fax no.: (980) 373-4723). 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 Notes 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 FLORIDA, LLC

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

[*Remainder of page left blank intentionally*]

[Signature Page to Underwriting Agreement]

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

CastleOak Securities, L.P.
C.L. King & Associates, Inc.
Drexel Hamilton, LLC
Great Pacific Securities
PNC Capital Markets LLC
Samuel A. Ramirez & Company, Inc.

On behalf of each of the Underwriters

CastleOak Securities, L.P.

By: /s/ Phillip J. Ippolito
Name: Phillip J. Ippolito
Title: Chief Financial Officer

C.L. King & Associates, Inc.

By: /s/ Anne Serewicz
Name: Anne Serewicz
Title: Senior Managing Director

Drexel Hamilton, LLC

By: /s/ Jeremy Traska
Name: Jeremy Traska
Title: Managing Director

Great Pacific Securities

By: /s/ Steven Willis
Name: Steven Willis
Title: Sr. Managing Director

PNC Capital Markets LLC

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

Samuel A. Ramirez & Company, Inc.

By: /s/ Lawrence F. Goldman
Name: Lawrence F. Goldman
Title: Managing Director

[Signature Page to Underwriting Agreement]

SCHEDULE A

Underwriter		Principal Amount Notes to be Purchased
CastleOak Securities, L.P.	$	33,334,000
Great Pacific Securities		33,334,000
PNC Capital Markets LLC		33,334,000
Samuel A. Ramirez & Company, Inc.		33,334,000
C.L. King & Associates, Inc.		33,332,000
Drexel Hamilton, LLC		33,332,000
Total	$	200,000,000

SCHEDULE B

PRICING DISCLOSURE PACKAGE

1) Base Prospectus
2) Preliminary Prospectus Supplement dated November 21, 2019
3) Permitted Free Writing Prospectus
    a) Pricing Term Sheet attached as Schedule C hereto

SCHEDULE C

Filed pursuant to Rule 433
November 21, 2019
Relating to
Preliminary Prospectus Supplement dated November 21, 2019
to
Prospectus dated September 23, 2019
Registration Statement No. 333-233896-05

Duke Energy Florida, LLC

$200,000,000 Series A Floating Rate Senior Notes due 2021

Pricing Term Sheet

Issuer:	Duke Energy Florida, LLC
Trade Date:	November 21, 2019
Settlement Date:	November 26, 2019; T + 3
Security Description:	Series A Floating Rate Senior Notes due 2021 (the "**Notes**")
Principal Amount:	$200,000,000
Maturity Date:	November 26, 2021
Price to Public:	100% per Note, plus accrued interest, if any, from November 26, 2019
Coupon:	Floating Rate – reset quarterly based on the three-month LIBOR plus 25 bps
Interest Payment Dates:	February 26, May 26, August 26 and November 26, beginning on February 26, 2020
Redemption Provisions:	The Notes may not be redeemed prior to their maturity.
CUSIP / ISIN:	26444H AG6 / US26444HAG65
Joint Book-Running Managers:	PNC Capital Markets LLC CastleOak Securities, L.P. C.L. King & Associates, Inc. Drexel Hamilton, LLC Great Pacific Securities Samuel A. Ramirez & Company, Inc.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling CastleOak Securities, L.P. toll free at 1-800-955-6332, C.L. King & Associates, Inc. toll free at 1-800-743-6626, Drexel Hamilton, LLC collect at 1-212-632-0400, Great Pacific Securities toll free at 1-800-284-4804, PNC Capital Markets LLC toll free at 1-855-881-0697 and Samuel A. Ramirez & Company, Inc. toll free at 1-800-888-4086.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): November 22, 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 November 22, 2019, Progress Energy completed a Quarterly Report to Holders of Contingent Value Obligations for the Quarter EndedSeptember 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 September 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.

PROGRESS ENERGY, INC.

November 22, 2019

Registrant

By: /s/ DWIGHT L. JACOBS

Dwight L. Jacobs

Senior Vice President, Chief Accounting Officer, Tax and Controller

Exhibit 99.1

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

November 22, 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 November 22, 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 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	6.6[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 realized 50% of tax credits generated in the Operation Years 2001 through 2007. For the Tax Year 2019, the Company estimates that it will realize 25% of any tax credits remaining 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 November 22, 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 utilized 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 September 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): December 23, 2019

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-4928	**DUKE ENERGY CAROLINAS, LLC** (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853	56-0205520

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:

Title of each class: Trading Symbol(s): Name of each exchange on which registered:

None

Item 1.01. Entry into a Material Definitive Agreement

On December 23, 2019, Duke Energy Carolinas, LLC (the "Company") consummated a sale-leaseback financing transaction to develop and build an office tower in Charlotte, North Carolina. The Company entered into two primary agreements, a Lease Agreement and a Construction Agency Agreement, both dated as of December 23, 2019, with a joint venture comprised of subsidiaries of Childress Klein and CGA Capital (collectively the "Landlord"), under which the Landlord purchased the project from the Company and appointed the Company to act as its agent to manage the construction of the building. Pursuant to its obligations under the agreements, the Landlord financed its acquisition of the project with debt securities and committed to deposit a maximum of $675 million in escrow, subject to adjustment upon final determination of certain construction costs, to fund acquisition of the site property and construction of the building. Under the Lease Agreement, the Company will lease the building from the Landlord for a term of up to thirty years, with the option to extend the term for up to eight renewals of five years each. Under the Construction Agency Agreement, the Company will facilitate all aspects of the construction project, including paying costs of the project through draws of escrowed funds provided by the lenders over the anticipated three-year construction period.

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 CAROLINAS, LLC

Date: December 23, 2019

By: /s/ Karl W. Newlin

Name: Karl W. Newlin

Title: Senior Vice President, Corporate Development and Treasurer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **December 31, 2019**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	DUKE ENERGY **DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-4928	**DUKE ENERGY CAROLINAS, LLC** (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853	56-0205520
1-3382	**DUKE ENERGY PROGRESS, LLC** (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-0165465

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240. 13e-4(c))

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.001 par value	DUK	New York Stock Exchange LLC
5.125% Junior Subordinated Debentures due January 15, 2073	DUKH	New York Stock Exchange LLC
5.625% Junior Subordinated Debentures due September 15, 2078	DUKB	New York Stock Exchange LLC
Depositary 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

☐ Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry Into a Material Definitive Agreement.

On April 1, 2019, the North Carolina Department of Environmental Quality ("DEQ") issued a closure determination requiring Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") to excavate all remaining coal ash basins in North Carolina, which comprises nine ash basins at six sites across North Carolina. At that time, Duke Energy Corporation estimated the incremental undiscounted cost to close the nine remaining basins by excavation would be approximately $4 billion to $5 billion, potentially increasing the total estimated costs to permanently close all ash basins in North Carolina and South Carolina to $9.5 to $10.5 billion.

On December 31, 2019, DEC, DEP, DEQ, and certain other parties represented by the Southern Environmental Law Center ("SELC") entered into a Settlement Agreement (the "Settlement") whereby DEC and DEP agreed to excavate seven of the nine remaining coal ash basins in North Carolina, with ash moved to on-site lined landfills, including two at the Allen Steam Station, one at Belews Creek Steam Station, one at Mayo Plant, one at Roxboro Plant and two at the Rogers Energy Complex. At the two remaining basins at Marshall Steam Station and at the Roxboro Plant, uncapped basin ash will be excavated and moved to lined landfills. Those portions of the basins at the Marshall Steam Station and Roxboro Plant which were previously filled with ash and permitted facilities were built on top will not be disturbed and will be closed under other state regulations.

Also pursuant to the Settlement, the parties agreed to settle and dismiss all litigation, including the DEC and DEP appeal before the North Carolina Office of Administrative Hearings of the April 1, 2019 DEQ order, all state enforcement actions in the North Carolina Superior Court and all federal citizen suits pertaining to Clean Water Act violations filed in the United States District Court for the Middle District of North Carolina. The DEQ and those parties represented by the SELC also agreed that they would not challenge or otherwise object in court or before any other administrative body to the reasonableness, prudence, public interest, or legal requirement of the obligations imposed by the Settlement or any related consent decrees. The Settlement will be memorialized into a consent decree to be approved and entered by the North Carolina Superior Court.

The Settlement lowers the estimated total undiscounted cost to close the nine remaining basins by excavation by approximately $1.5 billion as compared to the estimate described above following the April 1, 2019 DEQ order. As a result, the estimated total cost to permanently close all ash basins in North Carolina and South Carolina is now approximately $8 to $9 billion, of which approximately $2.4 billion has been spent through 2019. The majority of the remaining spend is expected to occur over the next 15-20 years. DEC and DEP intend to seek recovery of all costs through the ratemaking process consistent with previous regulatory proceedings.

The foregoing description of the Settlement is qualified in its entirety by reference to the text of the agreement which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 Settlement Agreement dated as of December 31, 2019

104 Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

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

DUKE ENERGY CORPORATION

Date: January 2, 2020

By: /s/ David S. Maltz
David S. Maltz
Vice President, Legal and Assistant Corporate Secretary

DUKE ENERGY CAROLINAS, LLC

Date: January 2, 2020

By: /s/ David S. Maltz
David S. Maltz
Vice President, Legal and Assistant Corporate Secretary

DUKE ENERGY PROGRESS, LLC

Date: January 2, 2020

By: /s/ David S. Maltz
David S. Maltz
Vice President, Legal and Assistant Corporate Secretary

EXHIBIT 10.1

DUKE ENERGY CAROLINAS, LLC, AND DUKE ENERGY PROGRESS, LLC, Petitioners, v. NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY, Respondent, APPALACHIAN VOICES, THE STOKES COUNTY BRANCH OF THE NAACP, MOUNTAINTRUE, THE CATAWBA RIVERKEEPER FOUNDATION, THE SIERRA CLUB, THE WATERKEEPER ALLIANCE, and THE ROANOKE RIVER BASIN ASSOCIATION, Respondent-Intervenors.	**SETTLEMENT AGREEMENT**

THIS SETTLEMENT AGREEMENT (the "Agreement") is entered into on December 31st, 2019 ("Effective Date") between the Parties, defined as follows:

- "Duke Energy": Duke Energy Carolinas, LLC and Duke Energy Progress, LLC
- "DEQ": The North Carolina Department of Environmental Quality
- "Community Groups": Appalachian Voices, Stokes County Branch of the NAACP, MountainTrue, The Catawaba Riverkeeper Foundation, Waterkeeper Alliance, Sierra Club, Roanoke River Basin Association, Cape Fear River Watch, Inc., Neuse River Foundation/Sound Rivers, Inc., and NC State Conference of the NAACP.[1]

[1] To the extent some of these Community Groups are not party to this litigation but rather to prior litigation addressing other Duke Energy coal ash facilities, they have been consulted by their counsel and agree to the terms and conditions herein only to the extent applied to the facility or facilities about which they have previously been involved in litigation related to the disposition of coal ash or alleged violations related to coal ash.

The Parties enter into this Settlement Agreement in order to resolve the matters referenced herein.

Background

1. On April 1, 2019, DEQ issued Coal Combustion Residuals Surface Impoundment Closure Determinations (the "Closure Determinations") pursuant to the Coal Ash Management Act ("CAMA") for Duke Energy's Allen, Belews Creek, Cliffside, Marshall, Mayo, and Roxboro Steam Stations (singular, "Facility"; collectively, the "Facilities"). These Closure Determinations ordered excavation of all coal combustion residuals ("CCR") impoundments at the Facilities.
2. On April 26, 2019, Duke Energy filed Petitions for Contested Case Hearing in the North Carolina Office of Administrative Hearings ("OAH") in 19 EHR 2398, 19 EHR 2399, 19 EHR 2401, 19 EHR 2403, 19 EHR 2404, and 19 EHR 2406 challenging DEQ's Closure Determination for each of the Facilities ("OAH Proceedings").
3. On May 9, 2019, DEQ issued a letter adjusting certain dates and making certain clarifications related to the Closure Determinations.
4. On May 24, 2019, Duke Energy filed Amended Petitions for each Facility in 19 EHR 2398, 19 EHR 2399, 19 EHR 2401, 19 EHR 2403, 19 EHR 2404, and 19 EHR 2406 challenging DEQ's May 9, 2019 letter in addition to DEQ's April 1, 2019 Closure Determinations.
5. In addition to the OAH Proceedings, the Parties are involved in the following litigation relating to the Facilities: the State Enforcement Actions ("State of North Carolina *ex rel.* North Carolina Department of Environmental Quality and Roanoke River Basin Association, Sierra Club, Waterkeeper Alliance, Cape Fear River Watch, Inc., Sound Rivers, Inc. and Winyah Rivers v. Duke Energy Progress, LLC 13 CvS 11032 (Wake County)" and "State of North Carolina *ex rel.* North Carolina Department of Environmental

Quality and Catawba Riverkeeper Foundation, Inc., Waterkeeper Alliance, MountainTrue, Appalachian Voices, Yadkin Riverkeeper, Inc., Dan River Basin Association, and Southern Alliance for Clean Energy v. Duke Energy Carolinas, LLC" 13 CvS 14461 (Mecklenburg County); three federal Clean Water Act lawsuits ("Roanoke River Basin Association v. Duke Energy Progress, LLC" No. 1:16-cv-607 (MDNC) (Mayo), "Roanoke River Basin Association v. Duke Energy Progress, LLC" No. 1:17-cv-452 (MDNC) (Roxboro), and "Appalachian Voices et al v. Duke Energy Carolinas, LLC" No. 1:17-cv-1097 (MDNC) (Belews Creek)); and twelve petitions for judicial review ("PJRs") in North Carolina Superior Court petitioning two Orders issued in the OAH Proceedings (Case Nos. 19 CvS 19908, 19 CvS 19909, 19 CvS 19910, 19 CvS 19911, 19 CvS 19912, 19 CvS 19913, 19 CvS 22714, 19 CvS 22715, 19 CvS 22716, 19 CvS 22717, 19 CvS 22718, and 19 CvS 22719).

6. The Parties desire to resolve and settle any disputes between them in connection with the OAH proceedings, the State Enforcement Actions, the federal Clean Water Act lawsuits, and the PJRs in order to ensure that the impoundments are excavated on an expedited basis and to remove the uncertainty associated with litigation. The Community Groups and Duke Energy further agree that the actions to be taken by DEQ and Duke Energy under this Agreement and related Consent Order will resolve the pending issues in the Clean Water Act lawsuits.

The Facilities

7. This Agreement addresses the following impoundments at the Facilities regulated under CAMA.

a. At the Allen Steam Station, there are two CCR impoundments, the Retired Ash Basin and the Active Ash Basin. The Retired Ash Basin is approximately 123 acres and contains approximately 6,100,000 tons of coal ash and the Active Ash Basin is approximately 170 acres and contains approximately 10,480,000 tons of coal ash.[2]

b. At the Belews Creek Steam Station, there is one CCR impoundment, the Ash Basin. The Ash Basin is approximately 270 acres and contains approximately 11,970,000 tons of coal ash.

c. At the Cliffside Steam Station/Rogers Energy Complex, there are two CCR impoundments, the Units 1-5 Inactive Ash Basin and the Active Ash Basin. The Units 1-5 Inactive Ash Basin is approximately 46 acres and contains approximately 2,350,000 tons of coal ash and the Active Ash Basin is approximately 86 acres and contains approximately 5,240,000 tons of coal ash.

d. At the Marshall Steam Station, there is one CCR impoundment, the Ash Basin. The Ash Basin is approximately 360 acres and contains approximately 17,650,000 tons of coal ash.[3]

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[2] Note that the tonnage of coal ash includes only the coal ash contained within the impoundments and not coal ash in landfills or structural fills. Duke Energy on the one hand, and DEQ and the Community Groups on the other, have a dispute as to whether coal ash under a lawfully permitted landfill is regulated by CAMA. At Allen, the Retired Ash Basin Landfill and subgrade is 25 acres and contains approximately 1,740,000 tons of coal ash. There is approximately 1,392,000 tons of coal ash beneath the Retired Ash Basin Landfill, and approximately 991,000 tons of coal ash in the area designated as the "DORS" area.

[3] Note that the tonnage of coal ash includes only the coal ash contained within the impoundments and not coal ash in landfills or structural fills. Duke Energy on the one hand, and DEQ and the Community Groups on the other, have a dispute as to whether coal ash under a lawfully permitted landfill is regulated by CAMA. At Marshall, the Structural Fill beneath solar panels contains approximately 6,490,000 tons of coal ash. The subgrade fill beneath Industrial Landfill ("ILF") Cells 1 and 2 contains approximately 460,000 tons of coal ash. The subgrade fill beneath ILF Cells 3 and 4, contains approximately 409,000 tons of coals ash. The Old Ash Fill (1804 Phase I

e. At the Mayo Steam Station, there is one CCR impoundment, the Ash Basin. The Ash Basin is approximately 153 acres and contains approximately 6,630,000 tons of coal ash.

f. At the Roxboro Steam Station, there are two CCR impoundments, the East Ash Basin and the West Ash Basin. The West Ash Basin is approximately 225 acres and contains approximately 12,970,000 tons of coal ash and the East Ash Basin is approximately 71 acres and contains approximately 7,100,000 tons of coal ash.[4]

8. Each of these impoundments is a CCR impoundment as defined by CAMA, N. C. Gen. Stat. § 130A-309.201(6), and the Federal CCR Rule 40 CFR Parts 257 and 261.

9. The total approximate amount of the coal ash set forth in paragraph 7 is estimated to be 80.5 million tons.

Facility-Specific Obligations of Duke Energy.

Allen

10. **Closure of Coal Ash Impoundments.** At the Allen Steam Station, Duke Energy will excavate and remove all coal ash from the Retired Ash Basin and Active Ash Basin, either (1) to lined onsite locations for disposal in a CCR landfill, industrial landfill, or municipal

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Landfill) contains approximately 626,000 tons of coal ash. The Retired Landfill (1804 Phase II Landfill) contains approximately 4,870,000 tons of coal ash. The ILF (Permit 18-12) contains approximately 2,050,000 tons of coal ash. The Marshall ILF continues to receive production ash and these tonnages represent the approximate tonnages as of the Effective Date.

[4] Note that the tonnage of coal ash includes only the coal ash contained within the impoundments and not coal ash in landfills or structural fills. Duke Energy on the one hand, and DEQ and the Community Groups on the other, have a dispute as to whether coal ash under a lawfully permitted landfill is regulated by CAMA. For Roxboro, the Roxboro Monofill contains approximately 6,818,000 tons of coal ash one portion of the landfill and an additional 7,635,000 tons of coal ash in a separate portion of that landfill. The Roxboro Monofill continues to receive production ash and these tonnages represent the approximate tonnages as of the Effective Date.

solid waste landfill or (2) for beneficial use for cementitious purposes or another industrial process at least as environmentally protective. If a process other than a cementitious process is to be used, Duke Energy will provide reasonable notice to the Community Groups and DEQ. Duke Energy shall remove or permanently close all pipes currently running through or beneath the Retired Ash Basin and Active Ash Basin. Duke Energy will thereafter stabilize and close the area where the Retired Ash Basin and Active Ash Basin are located pursuant to applicable law. The total impoundment ash that will be excavated is estimated to be approximately 16,632,000 tons of coal ash.

11. **Disposition of Other Coal Ash.** Additionally, Duke Energy will excavate and remove coal ash from the Storage Areas, Structural Fills, and Landfill from the top of the Retired Ash Basin, either (1) to lined onsite locations for disposal in a CCR landfill, industrial landfill, or municipal solid waste landfill or (2) for beneficial use for cementitious purposes or another industrial process at least as environmentally protective. If a process other than a cementitious process is to be used, Duke Energy will provide reasonable notice to the Community Groups and DEQ. The total non-impoundment ash that will be excavated is estimated to be approximately 2,731,000 tons of coal ash. The closure plan will provide that ash shall remain for structural stability around the footers for the transmission towers, and that all ash that remains will be covered with a geomembrane layer. The amount of coal ash referred to in this paragraph that shall remain is estimated to be between 30,000 and 50,000 tons and is unsaturated.

12. **Deadline for Closure.** Duke Energy projects that it will require until December 31, 2037, to complete all excavation as required in Paragraphs 10 and 11 and the Parties understand that Duke Energy will request variances to meet the deadline imposed by this Agreement.

Duke Energy shall complete all excavation required in Paragraphs 10 and 11 by the statutory deadline set forth in CAMA, as amended by House Bill 630, or as may further be amended from time to time, and subject to any variances granted pursuant to N.C. Gen. Stat. § 130A-309.215, but in any event not later than December 31, 2037. For clarity, this paragraph does not constitute a variance of the CAMA deadline for completion of closure. DEQ will approve or disapprove a request for variance at the appropriate time. The parties are aware that the Closure Plan submitted to DEQ for Allen on December 31, 2019, will not contain complete information reflecting the details of this Agreement. Pursuant to its statutory authority under N.C. Gen. Stat. § 130A-309.214(c), DEQ directs that such information shall be submitted no later than 30 days after the Effective Date.

13. **Groundwater Corrective Action Plan.** No later than December 31, 2019, Duke Energy shall submit a proposed Groundwater Corrective Action Plan to DEQ for its review and approval. The Corrective Action Plan will include active remedial measures designed to address any groundwater contamination as required by N.C. Gen. Stat. § 130A-309.211, 15A NCAC Subchapter 2L (the "2L groundwater rules"), and any other applicable laws, statutes, or regulations, subject to the provisions of Paragraph 51 and provided that active remedial measures shall not be required to remediate areas within the geographic limitation as specified in Paragraph 52.

Belews Creek

14. **Closure of Coal Ash Impoundments.** At Belews Creek, Duke Energy will excavate and remove all coal ash from the Ash Basin except the impoundment coal ash under or within the waste boundary of the Pine Hall Road Landfill either (1) to lined onsite locations for

disposal in a CCR landfill, industrial landfill, or municipal solid waste landfill or (2) for beneficial use for cementitious purposes or another industrial process at least as environmentally protective. If a process other than a cementitious process is to be used, Duke Energy will provide reasonable notice to the Community Groups and DEQ. Duke Energy shall remove or permanently close all pipes currently running through or beneath the Ash Basin. Duke Energy will thereafter stabilize and close the area where the Ash Basin is located pursuant to applicable law. The total impoundment ash that will be excavated is estimated to be approximately 11,870,000 tons of coal ash. The closure plan will provide that ash shall remain underneath the Pine Hall Road Landfill, which is capped with a geosynthetic cap and has been closed pursuant to permit 8503-INDUS-1984 and stopped receiving coal ash in 2014. The amount of coal ash underneath the Pine Hall Road Landfill is estimated to be no more than 100,000 tons. Provided that, if Duke Energy is not able to demonstrate on or before February 1, 2020, that it is able to meet the requirements of paragraph 17, Duke shall submit an addendum to the closure plan on or before February 15, 2020, providing for the full excavation of this ash.

15. **Deadline for Closure.** Duke Energy projects that it will require until December 31, 2031, to complete all excavation as required in Paragraph 14, and the Parties understand that Duke Energy will request variances to meet the deadline imposed by this Agreement. Duke Energy shall complete all excavation required in Paragraph 14 by the statutory deadline set forth in CAMA, as amended by House Bill 630, or as may further be amended from time to time, and subject to any variances granted pursuant to N.C. Gen. Stat. § 130A-309.215, but in any event not later than December 31, 2034. For clarity, this paragraph does not

constitute a variance of the CAMA deadline for completion of closure. DEQ will approve or disapprove a request for variance at the appropriate time.

16. **Structural Stability, Monitoring, and Sampling.** The coal ash under and within the waste boundary of the Pine Hall Road Landfill and within the waste boundary of the Ash Basin shall be stabilized with a permanent structure ("stability feature") for purposes of preserving the structural stability through the use of a wall unless a slope is shown to be as appropriate, so as to prevent lateral movement of the coal ash pursuant to a plan to be submitted for DEQ approval no later than June 30, 2020. Within seven (7) days of completing the stability feature, Duke Energy shall notify DEQ. Additionally, pursuant to a plan approved by DEQ, following excavation in the footprint of the former Ash Basin and downgradient of the Pine Hall Road Landfill, Duke Energy shall conduct groundwater monitoring (including the installation of new wells if reasonably necessary) and, upon re-formation of surface water features that demonstrate DEQ-confirmed intermittent or perennial flows (not merely precipitation), surface water sampling. Consistent with the provisions of Paragraph 51, the plan shall propose (1) additional groundwater remedial measures for any coal ash constituent if the data indicate an increasing trend in groundwater concentrations in excess of the standards set forth in 15A NCAC 2L. 0202 ("2L groundwater standards") for four (4) consecutive semi-annual sampling events for that constituent, subject to the provisions of Paragraph 52, and (2) surface water treatment if the data shows impact from coal ash constituents above the 2B standards to waters of the State notwithstanding the provisions of Paragraph 52. This plan shall be submitted to DEQ no later than 120 days following completion of the stability feature. If appropriate, the additional monitoring plan will be integrated into the existing site monitoring plan to avoid

redundant or conflicting monitoring programs. This paragraph shall not apply if the coal ash under and within the waste boundary of the Pine Hall Road Landfill and within the waste boundary of the Ash Basin is excavated.

17. **Groundwater Corrective Action Plan.** No later than December 31, 2019, Duke Energy shall submit a proposed Groundwater Corrective Action Plan to DEQ for its review and approval. The Corrective Action Plan will include active remedial measures designed to address any groundwater contamination as required by N.C. Gen. Stat. § 130A-309.211, the 2L groundwater rules, and any other applicable laws, statutes, or regulations, provided that active remedial measures shall not be required to remediate areas within the geographic limitation as specified in Paragraph 52. If the coal ash under and within the waste boundary of the Pine Hall Road Landfill and within the waste boundary of the Ash Basin is not excavated, then at a minimum, Duke Energy shall remedy violations that DEQ determines are material violations of the 2L groundwater standards attributable to the Ash Basin at or beyond the geographic limitation as described in Paragraph 52 by December 31, 2029, subject to the provisions of Paragraph 51.

Cliffside/Rogers

18. **Closure of Coal Ash Impoundments.** At Cliffside Steam Station/Rogers Energy Complex, Duke Energy will excavate and remove all coal ash from the Unit 5 Inactive Ash Basin and Active Ash Basin, either (1) to lined onsite locations for disposal in a CCR landfill, industrial landfill, or municipal solid waste landfill or (2) for beneficial use for cementitious purposes or another industrial process at least as environmentally protective. If a process other than a cementitious process is to be used, Duke Energy will provide

reasonable notice to the Community Groups and DEQ. Duke Energy shall remove or permanently close all pipes currently running through or beneath the Unit 5 Inactive Ash Basin and Active Ash Basin. Duke Energy will thereafter stabilize and close the area where the Unit 5 Inactive Ash Basin and Active Ash Basin are located pursuant to applicable law. The total impoundment ash that will be excavated is estimated to be approximately 7,590,000 tons of coal ash.

19. **Deadline for Closure.** Duke Energy projects that it will require until December 31, 2028, to complete all excavation as required in Paragraph 18. Duke Energy shall complete all excavation required in Paragraph 18 by the statutory deadline set forth in CAMA, as amended by House Bill 630, or as may further be amended from time to time, and subject to any variances granted pursuant to N.C. Gen. Stat. § 130A-309.215, but in any event not later than December 31, 2029.
20. **Groundwater Corrective Action Plan.** No later than December 31, 2019, Duke Energy shall submit a proposed Groundwater Corrective Action Plan to DEQ for its review and approval. The Corrective Action Plan will include active remedial measures designed to address any groundwater contamination as required by N.C. Gen. Stat. § 130A-309.211, the 2L groundwater rules, and any other applicable laws, statutes, or regulations, subject to the provisions of Paragraph 50 and provided that active remedial measures shall not be required to remediate areas within the geographic limitation as specified in Paragraph 52.

Marshall

21. **Closure of Coal Ash Impoundments.** At the Marshall Steam Station, Duke Energy will excavate and remove all coal ash from the Ash Basin, except the coal ash under or within

the waste boundaries of the PV Structural Fill and the 1804 Phase II Landfill, either (1) to lined onsite locations for disposal in a CCR landfill, industrial landfill, or municipal solid waste landfill or (2) for beneficial use for cementitious purposes or another industrial process at least as environmentally protective. If a process other than a cementitious process is to be used, Duke Energy will provide reasonable notice to the Community Groups and DEQ. Duke Energy shall remove or permanently close all pipes currently running through or beneath the Ash Basin. Duke Energy will thereafter stabilize and close the area where the Ash Basin is located pursuant to applicable law. The total ash that will be excavated is estimated to be approximately 16,800,000 tons of coal ash.

22. **Disposition of Other Coal Ash.** Additionally, as part of its groundwater Corrective Action Plan for the Marshall site, Duke Energy will excavate and remove approximately 626,000 tons of coal ash from the 1804 Phase I Landfill (sometimes referred to as the "old ash fill") adjacent to the Ash Basin either (1) to lined onsite locations for disposal in a CCR landfill, industrial landfill, or municipal solid waste landfill or (2) for beneficial use for cementitious purposes or another industrial process at least as environmentally protective. If a process other than a cementitious process is to be used, Duke Energy will provide reasonable notice to the Community Groups and DEQ. Such excavation shall be complete no later than December 31, 2024. An approximate depiction of this excavation is attached as **Exhibit A**. The total ash that will be excavated from the 1804 Phase I Landfill is approximately 626,000 tons of coal ash.
23. **Deadline for Closure.** Duke Energy projects that it will require until December 31, 2034, to complete all excavation as required in Paragraph 21, and the Parties understand that Duke Energy will request variances to meet the deadline imposed by this Agreement. Duke

Energy shall complete all excavation required Paragraph 21 by the statutory deadline set forth in the CAMA, as amended by House Bill 630, or as may further be amended from time to time, and subject to any variances granted pursuant to N.C. Gen. Stat. § 130A-309.215, but in any event not later than December 31, 2035. For clarity, this paragraph does not constitute a variance of the CAMA deadline for completion of closure. DEQ will approve or disapprove a request for variance at the appropriate time.

24. **Structural Stability, Monitoring, and Sampling.** The coal ash under and within the waste boundary of the PV Structural Fill and the 1804 Phase II Landfill and within the waste boundary of the Ash Basin shall be stabilized with a permanent structure ("stability feature") for purposes of preserving the structural stability through the use of a wall unless a slope is shown to be as appropriate, so as to prevent lateral movement of the coal ash pursuant to a plan to be submitted for DEQ approval no later than June 30, 2020. Within seven (7) days of completing the stability feature, Duke Energy shall notify DEQ. Additionally, pursuant to a plan approved by DEQ, following excavation in the footprint of the former Ash Basin and downgradient of the PV Structural Fill and the 1804 Phase II Landfill, Duke Energy shall conduct groundwater monitoring (including the installation of new wells if reasonably necessary) and, upon re-formation of surface water features that demonstrate DEQ-confirmed intermittent or perennial flows (not merely precipitation), surface water sampling. Consistent with the provisions of Paragraph 51, the plan shall propose (1) additional groundwater remedial measures for any coal ash constituent if the data indicate an increasing trend in groundwater concentrations in excess of the 2L groundwater standards for four (4) consecutive semi-annual sampling events for that constituent, subject to the provisions of Paragraph 52, and (2) surface water treatment if

the data shows impact from coal ash constituents above the 2B standards to waters of the State notwithstanding the provisions of Paragraph 52. This plan shall be submitted to DEQ no later than 120 days following completion of the stability feature. If appropriate, the additional monitoring plan will be integrated into the existing site monitoring plan to avoid redundant or conflicting monitoring programs.

25. **Groundwater Corrective Action Plan.** No later than December 31, 2019, Duke Energy shall submit a proposed Groundwater Corrective Action Plan to DEQ for its review and approval. As part of the Corrective Action Plan, Duke Energy shall install a geosynthetic cap over the PV Structural Fill and 1804 Phase II Landfill by December 31, 2024. The Corrective Action Plan will include active remedial measures designed to address any groundwater contamination as required by N.C. Gen. Stat. § 130A-309.211, the 2L groundwater rules, and any other applicable laws, statutes, or regulations, subject to the provisions of Paragraph 51 and provided that active remedial measures shall not be required to remediate areas within the geographic limitation as specified in Paragraph 52. At a minimum, Duke Energy shall remedy any material violations of the 2L groundwater standards as determined by DEQ that is attributable to the Ash Basin at or beyond the geographic limitation as described in Paragraph 52 by December 31, 2029, subject to the provisions of Paragraph 50.

Mayo

26. **Closure of Coal Ash Impoundments.** At the Mayo Steam Station, Duke Energy will excavate and remove all coal ash from the Ash Basin either (1) to lined onsite locations for disposal in a CCR landfill, industrial landfill, or municipal solid waste landfill or (2) for

beneficial use for cementitious purposes or another industrial process at least as environmentally protective. If a process other than a cementitious process is to be used, Duke Energy will provide reasonable notice to the Community Groups and DEQ. Duke Energy shall remove or permanently close all pipes currently running through or beneath the Ash Basin. Duke Energy will stabilize and close the area where the Ash Basin is located pursuant to applicable law. The total ash that will be excavated is estimated to be approximately 6,630,000 tons of coal ash.

27. **Deadline for Closure.** Duke Energy projects that it will require until December 31, 2028, to complete all excavation as required in Paragraph 26. Duke Energy may request variances to meet the deadline imposed by this Agreement. Duke Energy shall complete all excavation required in Paragraph 26 by the statutory deadline set forth in CAMA, as amended by House Bill 630, or as may further be amended from time to time, and subject to any variances granted pursuant to N.C. Gen. Stat. § 130A-309.215, but in any event not later than December 31, 2029.

28. **Groundwater Corrective Action Plan.** No later than December 31, 2019, Duke Energy shall submit a proposed Groundwater Corrective Action Plan to DEQ for its review and approval. The Corrective Action Plan will include remedial measures designed to address any groundwater contamination as required by N.C. Gen. Stat. § 130A-309.211, the 2L groundwater rules, and any other applicable laws, statutes, or regulations, subject to the provisions of Paragraph 50 and provided that active remedial measures shall not be required to remediate areas within the geographic limitation as specified in Paragraph 52.

Roxboro

29. **Closure of Coal Ash Impoundments.** At the Roxboro Steam Station, Duke Energy will excavate and remove all coal ash from the West Ash Basin (and its extension impoundment area, sometimes referred to as the "Southern Extension Impoundment") and all coal ash from the East Ash Basin (and its extension impoundment area, sometimes referred to as the "Eastern Extension Impoundment") except the coal ash under or within the waste boundary of the Roxboro Monofill, Permit No. 7302-INDUS-1988. The excavated ash will be either (1) disposed of at lined onsite locations for disposal in a CCR landfill, industrial landfill, or municipal solid waste landfill or (2) used for beneficial use for cementitious purposes or another industrial process at least as environmentally protective. If a process other than a cementitious process is to be used, Duke Energy will provide reasonable notice to the Community Groups and DEQ. The scope of excavation is approximately depicted on **Exhibit B** to this agreement. Duke Energy shall remove or permanently close all pipes currently running through or beneath the West Ash Basin and East Ash Basin except those associated with the Roxboro Monofill. Duke Energy will thereafter stabilize and close the area where the West Ash Basin and East Ash Basins are located pursuant to applicable law. The total ash that will be excavated is estimated to be approximately 16,860,000 tons of coal ash. Additionally, Duke Energy will remove all coal ash fill from the Gypsum Pad area following retirement of the coal-fired generating units at Roxboro.

30. **Disposition of Other Coal Ash.** No later than 2 years and 6 months after the retirement of the coal-fired units at Roxboro, the remaining coal ash at the site will be closed and covered with a cap system that meets the requirements of North Carolina and federal law.
31. **Deadline for Closure.** Duke Energy projects that it will require until December 31, 2035, to complete all excavation as required in Paragraph 29, and that the Parties understand that Duke Energy will request variances to meet the deadline imposed by this Agreement. Duke Energy shall complete all excavation required in Paragraph 29 by the statutory deadline set forth in CAMA, as amended by House Bill 630, or as may further be amended from time to time, and subject to any variances granted pursuant to N.C. Gen. Stat. § 130A-309.215, but in any event not later than December 31, 2036. For clarity, this paragraph does not constitute a variance of the CAMA deadline for completion of closure. DEQ will approve or disapprove a request for variance at the appropriate time.
32. **Structural Stability, Monitoring, and Sampling.** The coal ash under and within the waste boundary of the Roxboro Monofill and within the waste boundary of the East Ash Basin shall be stabilized with a permanent structure ("stability feature") for purposes of preserving the structural stability through the use of a wall unless a slope is shown to be as appropriate so as to prevent lateral movement of the coal ash pursuant to a plan to be submitted for DEQ approval no later than June 30, 2020. Within seven (7) days of completing the stability feature, Duke Energy shall notify DEQ. Additionally, pursuant to a plan approved by DEQ, following excavation in the footprint of the former East Ash Basin and downgradient of the Roxboro Monofill, Duke Energy shall conduct groundwater monitoring (including the installation of new wells if reasonably necessary) and, upon re-formation of surface water features that demonstrate DEQ-confirmed intermittent or

perennial flows (not merely precipitation), surface water sampling. Consistent with the provisions of Paragraph 51, the plan shall propose (1) additional groundwater remedial measures for any coal ash constituent if the data indicate an increasing trend in groundwater concentrations in excess of the 2L groundwater standards for four (4) consecutive semi-annual sampling events for that constituent, subject to the provisions of Paragraph 52, and (2) surface water treatment if the data shows impact from coal ash constituents above the 2B standards to waters of the State notwithstanding the provisions of Paragraph 52. This plan shall be submitted to DEQ no later than 120 days following completion of the stability feature. If appropriate, the additional monitoring plan will be integrated into the existing site monitoring plan to avoid redundant or conflicting monitoring programs.

33. **Groundwater Corrective Action Plan.** No later than December 31, 2019, Duke Energy shall submit a proposed Groundwater Corrective Action Plan to DEQ for its review and approval. The Corrective Action Plan will include active remedial measures designed to address any groundwater contamination as required by N.C. Gen. Stat. § 130A-309.211, the 2L groundwater rules, and any other applicable laws, statutes, or regulations, subject to the provisions of Paragraph 51 and provided that active remedial measures shall not be required to remediate areas within the geographic limitation as specified in Paragraph 52. At a minimum, Duke Energy shall remedy any material violations of the 2L groundwater standards as determined by DEQ that is attributable to the East Ash Basin at or beyond the geographical limitation described in Paragraph 52 by December 31, 2029, subject to the provisions of Paragraph 51.
34. **Progress Towards Groundwater Remediation.** Subject to the provisions of this Agreement regarding substantial compliance in Paragraph 51, no later than June 30, 2020,

Duke Energy shall submit a report for approval by DEQ analyzing the progress required by June 30, 2023 and by June 30, 2026 to achieve such compliance with 2L groundwater standards by December 31, 2029. Subject to the provisions of this Agreement regarding substantial compliance in Paragraph 50, no later than September 30, 2023 and September 30, 2026, Duke Energy shall submit reports demonstrating sufficient progress toward the goal of achieving compliance with the 2L groundwater standards. If DEQ determines that sufficient progress has not been made towards achieving this goal, Duke Energy shall implement additional remedial measures as required by DEQ.

Additional Obligations of Duke Energy

35. **Submission of Closure Plans.** Duke Energy will submit to DEQ one Closure Plan for each impoundment pursuant to N.C. Gen. Stat. § 130A-309.214(a) for each of the above-referenced Facilities in accord with the provisions of this Agreement on or before December 31, 2019. Within 30 days thereafter, Duke Energy shall submit the supplemental information requested by DEQ in Paragraph 12.
36. **Notice to Community Groups**. During the implementation of the groundwater corrective action plans and any monitoring required by the terms of this Agreement, Duke Energy will provide concurrent copies to the Community Groups of coal ash excavation reports and groundwater monitoring data (including spreadsheets) for the Facilities as these are provided to DEQ. This may occur through U.S. Mail or electronic means to the person designated in Paragraph 67.

Obligations of DEQ

37. **Review of Closure Plans.** DEQ will review these proposed Closure Plans and provide for public participation consistent with N.C. Gen. Stat. § 130A-309.214(b). The parties

recognize that DEQ may request the submittal of additional information pursuant to N.C. Gen. Stat. § 130A-309.214(c). After receiving public comment, DEQ will approve or disapprove the proposed closure plans pursuant to N.C. Gen. Stat. § 130A-309.214(c). DEQ will not disapprove a proposed closure plan on the basis of the closure methodology employed, to the extent that such methodology is consistent with this Agreement.

38. **Timely Review.** In accordance with applicable law, DEQ agrees to conduct an expeditious review and act expeditiously on all applications by Duke Energy for permits necessary for Duke Energy to undertake the actions required under this Agreement as required by N.C. Gen. Stat. § 130A-309.203.
39. **Review of Variance Requests.** DEQ acknowledges that the deadline for closure is a deadline for which the Secretary is authorized to grant a variance provided that the requirements of N.C. Gen. Stat. § 130A-309.215 are satisfied. DEQ acknowledges that an extension of time required to complete excavation ordered by DEQ and mandated by the terms of this Settlement Agreement may be a valid basis for seeking a variance from CAMA deadlines, including requests for variance under Paragraph 45 below for purposes of beneficiation. DEQ will approve or disapprove a request for variance at the appropriate time.
40. **CCR Rule Deadlines.** DEQ agrees to cooperate with (including as appropriate to support) and not oppose Duke Energy's efforts to extend the deadlines imposed by the federal CCR rule in court or before an administrative body to the extent that such an extension is necessary for Duke Energy to meet its obligations under this Agreement.
41. **Further Excavation**. For impoundments, structural fills, and landfills identified in this Agreement, DEQ shall not require additional excavation for CCR-impacted groundwater

at Allen, Belews Creek, Cliffside, Marshall, Mayo, and Roxboro unless DEQ determines (1) there are material violations of the 2L groundwater standards or this Agreement within the meaning of Paragraph 51 and (2) these material violations cannot reasonably be remedied by active remediation.

Obligations of the Community Groups

42. **CAMA Variance Requests.** The Community Groups will not oppose Duke Energy's requests for variances on the closure deadlines set forth in CAMA in court or before an administrative body, provided Duke Energy does not request to extend such deadlines past December 31, 2034 for basins at Belews Creek, December 31, 2035 for basins at Marshall, December 31, 2036 for basins Roxboro, and December 31, 2037 for basins at Allen.
43. **Closure Plans and CAPs.** The Community Groups agree that they will not challenge in court or before an administrative body DEQ's approval of Duke Energy's Closure Plans, CAPs (including application of a Restricted Designation), CAP implementation, landfill construction or operation permits, components or terms of NPDES permits or modifications to NPDES permits to the extent these components or terms are reasonably necessary for the obligations imposed by this Agreement (including, for example, NPDES permits or modifications relating to decanting and dewatering), stormwater permits, dam removal authorizations, or post-closure monitoring plans for Allen, Belews Creek, Cliffside, Marshall, Mayo, and Roxboro, or such other permits as required by this Agreement, provided those Closure Plans and CAPs conform with the terms of this Agreement.
44. **CCR Rule Deadlines.** The Community Groups agree not to oppose Duke Energy's efforts in court or in an administrative proceeding to extend the deadlines imposed by the federal

CCR rule to the extent that such an extension is necessary for Duke Energy to meet its obligations under this Agreement. If appropriate, the Community Groups will support such requests.

45. **Deadlines for Coal Ash Recycling.** The Community Groups agree not to oppose in court or before an administrative body, extensions to the CAMA closure dates as requested by Duke Energy, for the purposes of completing and beneficiation at Buck, Cape Fear, and HF Lee, through December 31, 2035.

Further Obligations

46. **Superior Court Consent Order.** The Parties will work together to submit a consent order for injunctive relief incorporating the terms of this Agreement for filing in Wake County and Mecklenburg County Superior Court in Case Nos. 13-CVS-11032 and 13-CVS-14461 ("Consent Order") on or before January 31, 2020. In order to meet this deadline, the Parties will cooperate in the formation of the Consent Order, including periods for Notices. In the event the Superior Court refuses to enter the Consent Order, the parties agree that all parties shall retain the legal rights and positions that existed as of December 30, 2019 (including as applicable court rulings that constitute the law of the case). This paragraph shall be interpreted and enforced in order to fully effectuate the intent of the parties. To effectuate the intent of this paragraph, the Parties shall not object to the timeliness of any closure plan filed under the provisions of this paragraph and DEQ shall not approve any closure plan submitted under this Agreement prior to the entry of the Consent Order by the Superior Court, provided that DEQ may approve any closure plan on the last day for such approval under CAMA regardless of whether the Consent Order has been entered. It is expressly understood that in the event the Consent Order is not entered, and before the approval of

any closure plan by DEQ, Duke Energy intends to file alternative closure plans. It is further expressly understood that DEQ may not accept or approve these alternative closure plans.

47. **Survival of Terms**. The Parties intend and agree that the rights and obligations imposed by this Agreement shall be fully incorporated into the Consent Order contemplated by this Settlement Agreement, except for the obligations set forth in Paragraphs 48, 49 and 53. With the exception of the obligations set forth in Paragraph 48 (Dismissal of Related Litigation), Paragraph 49 (Compliance with CAMA), Paragraph 50 (DEQ Only State Entity Bound by this Agreement and Consent Order), and Paragraph 53 (Stipulations Between Only the Parties to this Agreement Regarding Rate Recovery Proceedings) this Settlement Agreement shall expire 90 days after entry of the Consent Order.
48. **Dismissal of Related Litigation.** Upon entry of the Consent Order by the North Carolina Superior Court and provided that there are no substantive modifications made by the Superior Court to the Consent Order, the Parties agree that Case Nos. 13 CvS 11032 and 13 CvS 14461 would be resolved. Within 15 days of entry of the Consent Order, Duke Energy shall dismiss with prejudice the following cases in the Office of Administrative Hearings: 19 EHR 2398, 19 EHR 2399, 19 EHR 2401, 19 EHR 2403, 19 EHR 2404, and 19 EHR 2406, and the following cases in North Carolina Superior Court: 19 CvS 19908, 19 CvS 19909, 19 CvS 19910, 19 CvS 19911, 19 CvS 19912, 19 CvS 19913, 19 CvS 22714, 19 CvS 22715, 19 CvS 22716, 19 CvS 22717, 19 CvS 22718, and 19 CvS 22719. Duke Energy and the Community Groups agree that the actions to be taken by Duke Energy and DEQ under this Agreement resolve and render moot the issues raised in the Clean Water Act lawsuits and will work cooperatively to prepare a joint motion dismissing those

claims with prejudice to be filed within 30 days of entry of the Consent Order in Superior Court. Each party shall bear its own costs and attorneys' fees in all litigation.

49. **Compliance with CAMA**. DEQ finds that the provisions of this Agreement satisfy the closure requirements of N.C. Gen. Stat. § 130A-309.214 for Duke Energy's obligations to close the CCR impoundments at the Facilities. In the event of inconsistency between this Agreement and DEQ's April 1 Closure Determinations, the terms of this Agreement shall control.

50. **DEQ Only State Entity Bound by this Agreement and Consent Order**. The Parties expressly acknowledge and agree to each of the following:
    a. The only State entity bound by this Agreement and any related Consent Order is DEQ.
    b. Nothing in this Agreement or any related Consent Order shall limit the arguments that may be made or conclusions that may be drawn by other State entities in any matter or proceeding concerning recovery through rates of costs incurred by Duke Energy.
    c. Neither resolution of cases or issues pursuant to this Agreement, nor the related Consent Orders, shall have any preclusive or *res judicata* effect against other State entities.

The Parties shall work together to ensure that the Consent Order effectuates the intent of this paragraph.

51. **Substantial Compliance.** For any term of this Agreement that requires compliance with the 2L groundwater standards, Duke Energy will not be deemed to be in violation of any such term and shall not be subject to civil penalties or enforcement action by DEQ so long as Duke Energy has used best efforts (as described in Paragraph 55) to implement the corrective action plan and post-closure monitoring and care plan unless DEQ determines

that there are multiple and material deviations from such standards at or beyond the geographic limitation set forth in paragraph 52 .

52. **Geographic Limitation**. Active remediation will not be required in the area within 500 feet of the waste boundary of each impoundments as shown on the most recent NPDES permit for each of the Facilities (except that if a property boundary or body of water is located closer than 500 feet to the waste boundary, that property boundary or body of water shall define the geographic limits for active remediation) ("geographic limitation"), provided that, subject to the provisions of Paragraph 51, coal ash constituents outside the geographic limitation described in this paragraph do not increase beyond the 2L groundwater standards post-closure. It is expressly understood and agreed that DEQ will not assess a civil penalty or pursue an enforcement action for any exceedances of the 2L groundwater standards within the geographical limitation so long as Duke Energy is making best efforts (as defined by paragraph 55) to implement the approved corrective action plan and closure plan as determined by DEQ. The corrective action plans may be periodically updated as required by DEQ if the groundwater cleanup fails to meet projected targets.

53. **Stipulations Between Only the Parties to this Agreement Regarding Rate Recovery Proceedings.**
    a. DEQ and the Community Groups agree that closing the CCR impoundments at the Allen, Belews Creek, Cliffside, Marshall, Mayo, and Roxboro Steam Stations in accord with this Agreement (including the obligations imposed by the Consent Order contemplated by this Agreement) is reasonable, prudent, in the public interest, and consistent with law. This subparagraph applies only to the actions of

Duke Energy in entering into this Agreement and assuming the obligations under this Agreement. For example, and without limitation, the agreement in this subparagraph does not extend, nor shall it be construed to apply, to the issues of (i) whether Duke Energy acted prudently and reasonably in the past, or (ii) whether Duke Energy prudently and reasonably performs its obligations under this Agreement. Nothing in this Agreement shall be taken as an admission of any imprudent or unreasonable actions by Duke Energy.

b. Nothing in this Agreement, including but not limited to subparagraph (a) above, shall be taken as an endorsement or opposition by DEQ or the Community Groups of recovery through rates of the costs incurred by Duke Energy implementing the terms of this Agreement or related Consent Order.

c. DEQ and the Community Groups shall not challenge or otherwise object in court or before an administrative body to the reasonableness, prudence, public interest, or legal requirement for Duke Energy to comply with the obligations imposed by this Agreement, related Consent Order, or as to the Agreement itself.

d. The Parties state and agree that the issue of recovery through rates of the costs imposed by this Agreement and related Consent Order is to be determined by the North Carolina Utilities Commission upon proper application and related legal proceedings. DEQ has no role in making the determination of the issue of recovery through rates of the costs imposed by this Agreement and related Consent Order. DEQ neither endorses nor opposes such recovery.

e. Nothing in this Agreement shall prevent DEQ from providing factual non-confidential information relating to the matters covered in this Agreement,

provided that it is expressly understood that Duke Energy does not waive any objection to the admissibility of this information based on evidentiary, administrative, statutory, or equitable grounds before any court or administrative body. If DEQ intends to file testimony or amicus briefs or provides discovery concerning the matters that are the subject of this Agreement in connection with ongoing judicial or administrative proceedings, it shall provide reasonable notice of the subject-matter of such testimony or brief or discovery before submitting it to the administrative agency or court.

f. Nothing in this Agreement shall prevent the Community Groups from participating as permitted by law or agency ruling in rate recovery proceedings or objecting to Duke Energy's rate recovery on grounds not inconsistent with the terms of this Agreement.

g. The Parties understand and agree that this Agreement and related Consent Order may be presented to the North Carolina Utilities Commission.

54. **No Admission.** By entering into this Agreement, no Party to this Agreement admits wrongdoing or liability related to matters covered in this Agreement.

55. **Force Majeure.** The Parties agree that it will not be a violation of this Agreement if performance of any of the obligations set forth is delayed by an extraordinary event that is beyond the control of Duke Energy, or any entity controlled by Duke Energy or its contractors, despite best efforts to fulfill the obligation. Such causes are war, civil unrest, act of God, or act of a governmental or regulatory body delaying performance or making performance impossible including any appeal or decision remanding, overturning, modifying or otherwise acting (or failing to act) on a permit or similar permission or action

that prevents or delays an action needed for the performance of any of the work contemplated under this Agreement such that it prevents or substantially interferes with Duke Energy's performance within the time frames specified herein. Duke Energy shall bear the burden of proving by a preponderance of the evidence the existence of such circumstances. Such circumstances do not include the financial inability to complete the work, increased cost of performance, or changes in business or economic circumstances.

a. To qualify as a force majeure under this Agreement, the failure of a permitting authority to issue a necessary permit in a timely fashion which prevents Duke Energy from meeting the requirements in this Agreement must be beyond the control of Duke Energy, and Duke Energy must have taken all steps available to it to obtain the necessary permit, including but not limited to submitting a complete permit application, responding to requests for additional information by the permitting authority in a timely fashion, and accepting lawful permit terms and conditions after expeditiously exhausting any legal rights to appeal those terms and conditions imposed by the permitting authority.

b. The requirement that Duke Energy use "best efforts" in this Agreement includes using commercially reasonable efforts to anticipate any event that delays its obligations and to address the event in a commercially reasonable manner as it is occurring or following the event such that delay is minimized to the greatest extent possible.

56. **Stay of Pending Proceedings.** Within 15 days of execution of this Agreement, the Parties shall take all actions necessary to stay further proceedings before the Office of

Administrative Hearings in matters 19 EHR 02401 (regarding Allen), 19 EHR 02398 (regarding Belews Creek), 19 EHR 02399 (regarding Rogers/Cliffside), 19 EHR 02403 (regarding Marshall), 19 EHR 02404 (regarding Mayo), and 19 EHR 02406 (regarding Roxboro), and all petitions for judicial review related thereto. All stays shall remain in existence until an agreed-upon Consent Order are entered in Superior Court and no further discovery or other proceedings shall occur.

57. **Obligations of Duke Energy.** Upon entry of the Consent Order, Duke Energy Progress, LLC and Duke Energy Carolinas, LLC shall be responsible for carrying out the obligations of the Consent Order until relieved by the Court.
58. **Limitation on Remedy.** Notwithstanding the foregoing, the Parties' sole and exclusive remedy for breach of this Agreement shall be an action for specific performance or injunction. In no event shall any Party be entitled to monetary damages for breach of this Agreement. In addition, no legal action for specific performance or injunction shall be brought or maintained until: (a) the non-breaching Party provides written notice to the breaching Party which explains with particularity the nature of the claimed breach, and (b) within thirty (30) days after receipt of said notice, the breaching Party fails to cure the claimed breach or, in the case of a claimed breach which cannot be reasonably remedied within a thirty (30) day period, the breaching Party fails to commence to cure the claimed breach within such thirty (30) day period, and thereafter diligently complete the activities reasonably necessary to remedy the claimed breach.
59. **Binding Agreement.** This Agreement shall apply to, and be binding on, the Parties and their respective agents, successors, and assigns.

60. **Modification of this Agreement.** This Agreement may not be modified, altered or changed except by written agreement of all Parties, specifically referring to this Agreement.
61. **Counterpart Originals.** 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.
62. **Authorization to Sign.** The undersigned representatives of the Parties certify that they are fully authorized by the respective Parties whom they represent to enter into the terms and conditions of this Agreement and to legally bind such Parties to it.
63. **No Limitation on Administrative Process and Judgment.** The Parties recognize that DEQ is a governmental agency with statutory rights or obligations, and must abide by all applicable procedural and substantive laws and regulations in the exercise of such authority during the implementation of this Agreement. No provision in this Agreement shall diminish, modify, or otherwise affect the statutory or regulatory authorities of DEQ. Nothing in this Agreement shall limit the opportunity for the Community Groups to participate in any administrative process to the extent consistent with their commitments in this Agreement.
64. **No Limitation of Administrative and Contractual Rights**. For any provision in this Agreement where DEQ makes a determination on a matter, nothing in this Agreement waives any rights of a Party under the North Carolina Administrative Procedure Act (including the right to appeal, if any), nor does a determination by DEQ on a matter prohibit a challenge to that determination under the terms of this Agreement, where appropriate.

65. **Other Corrective Action**. Nothing in this Agreement supersedes or negates Duke Energy's obligation to conduct groundwater assessment and, if needed, corrective action for sources of groundwater contamination other than coal ash impoundments governed by this Agreement or CAMA at any of the Facilities.
66. **Governing Law**. The Parties agree that this Agreement shall be governed under and controlled by the law of the State of North Carolina.
67. **Notice.** Whenever notice is required to be given or a document is required to be sent by one Party to another under the terms of this Agreement, it shall be provided to all Parties, directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Notice or submission by electronic mail is acceptable.

    a. As to DEQ:

    Sheila Holman
    Assistant Secretary for the Environment
    1601 Mail Service Center
    Raleigh, NC 27699-1601
    sheila.holman@ncdenr.gov

    Cc: William F. Lane
    General Counsel
    1601 Mail Service Center
    Raleigh, NC 27699-1601
    Bill.Lane@ncdenr.gov

    b. As to Duke Energy:

    Kodwo Ghartey-Tagoe
    Executive Vice-President and Chief Legal Officer
    Duke Energy Corp.
    Mail Code DEC48H
    550 South Tryon Street
    Charlotte, NC 28202

Kodwo.Ghartey-Tagoe@duke-energy.com

c. As to the Community Groups:

Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for Community Groups
601 West Rosemary Street, Suite 220
Chapel Hill, NC 27516-2356
fholleman@selcnc.org

[Signatures on separate pages]

SETTLEMENT AGREEMENT

DUKE ENERGY CAROLINAS, LLC

By: /s/ KODWO GHARTEY-TAGOE Date: December 31, 2019
Kodwo Ghartey-Tagoe
Executive Vice President and Chief Legal Officer

DUKE ENERGY PROGRESS, LLC

By: /s/ KODWO GHARTEY-TAGOE Date: December 31, 2019
Kodwo Ghartey-Tagoe
Executive Vice President and Chief Legal Officer

SETTLEMENT AGREEMENT

THE NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY

By: /s/ MICHAEL REGAN Date: December 31, 2019

Michael Regan
Secretary
North Carolina Department of Environmental Quality

SETTLEMENT AGREEMENT

THE COMMUNITY GROUPS:

APPALACHIAN VOICES

By: /s/ FRANK S. HOLLEMAN III   Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups

THE STOKES COUNTY BRANCH OF THE NAACP

By: /s/ FRANK S. HOLLEMAN III   Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups

MOUNTAINTRUE

By: /s/ FRANK S. HOLLEMAN III   Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups

THE CATAWBA RIVERKEEPER FOUNDATION

By: /s/ FRANK S. HOLLEMAN III   Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups

THE SIERRA CLUB

By: /s/ FRANK S. HOLLEMAN III   Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups

SETTLEMENT AGREEMENT

THE COMMUNITY GROUPS:

THE WATERKEEPER ALLIANCE

By: /s/ FRANK S. HOLLEMAN III Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups

THE ROANOKE RIVER BASIN ASSOCIATION

By: /s/ FRANK S. HOLLEMAN III Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups

CAPE FEAR RIVER WATCH, INC.

By: /s/ FRANK S. HOLLEMAN III Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups

NEUSE RIVER FOUNDATION/SOUND RIVERS, INC.

By: /s/ FRANK S. HOLLEMAN III Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups

NORTH CAROLINA STATE CONFERENCE OF THE NAACP

By: /s/ FRANK S. HOLLEMAN III Date: December 31, 2019
Frank S. Holleman III
Senior Attorney
Southern Environmental Law Center
Counsel for the Community Groups