

Section 2.11. USA PATRIOT Act. In order to comply with laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to the funding of terrorist activities and money laundering and the Customer Identification Program ("CIP") requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Calculation Agent must obtain, verify and record information that allows the Calculation Agent to identify customers ("Applicable Law"), the Calculation Agent is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with the Calculation Agent. Accordingly, the Company agrees to provide to the Calculation Agent upon its request from time to time such identifying information and documentation as may be available for such party in order to enable the Calculation Agent to comply with Applicable Law, including, but not limited to, information as to name, physical address, tax identification number and other information that will help the Calculation Agent to identify and verify such Corporation such as organizational documents, certificates of good standing, licenses to do business or other pertinent identifying information. The Company understands and agrees that the Calculation Agent cannot determine the interest rates on the Notes unless and until the Calculation Agent verifies the identities of the Company in accordance with its CIP.

Section 2.12. Calculation of Interest Rate for First Interest Period. The Calculation Agent, at the request of the Company, has determined, prior to the date of execution and delivery of this Supplemental Indenture, the interest rate for the initial Interest Period for the Notes. In connection with such determination, the Calculation Agent shall be entitled to the same rights, protections, exculpations and immunities otherwise available to it under this Supplemental Indenture.

Section 2.13. FATCA. The Company agrees (i) to provide the Trustee with such reasonable tax information as it has in its possession to enable the Trustee to determine whether any payments pursuant to this Supplemental Indenture are subject to the withholding requirements described in Section 1471(b) of the US Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations, or agreements thereunder or official interpretations thereof ("FATCA") and (ii) that the Trustee shall be entitled to make any withholding or deduction from payments under this Supplemental Indenture to the extent necessary to comply with FATCA.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3.01. Recitals by the Company. The recitals in this Supplemental Indenture are made by the Company only and not by the Trustee or the Calculation Agent, and all of the provisions contained in the Original Indenture in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect of the Notes and this Supplemental Indenture as fully and with like effect as if set forth herein in full.

Section 3.02. Ratification and Incorporation of Original Indenture. As supplemented hereby, the Original Indenture is in all respects ratified and confirmed, and the Original Indenture and this Supplemental Indenture shall be read, taken and construed as one and the same instrument.

Section 3.03. Executed in Counterparts; Electronic Signatures. This Supplemental Indenture may be executed in several counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Indenture shall include images of manually executed signatures transmitted by facsimile, email or other electronic format (including, without limitation, "pdf," "tif" or "jpg") and other electronic signatures (including without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. Without limitation to the foregoing, and anything in the Original Indenture to the contrary notwithstanding, (a) any Officer's Certificate, Company Order, Company Request, Opinion of Counsel, Debt Security, certificate of authentication appearing on or attached to any Debt Security, supplemental indenture or other certificate, opinion of counsel, instrument, agreement or other document delivered pursuant to the Original Indenture may be executed, attested and transmitted by any of the foregoing electronic means and formats, (b) all references in Section 303 of the Original Indenture or elsewhere in the Indenture to the execution, attestation or authentication of any Debt Security or any certificate of authentication appearing on or attached to any Debt Security by means of a manual or facsimile signature shall be deemed to include signatures that are made or transmitted by any of the foregoing electronic means or formats, and (c) any requirement in Section 303 of the Original Indenture or elsewhere in the Indenture that any signature be made under a corporate seal (or facsimile thereof) shall not be applicable to the Debt Securities of such series.

IN WITNESS WHEREOF, each party hereto has caused this instrument to be signed in its name and behalf by its duly authorized officer, all as of the day and year first above written.

Duke Energy Progress, LLC

By: /s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

The Bank of New York Mellon, as Trustee and Calculation Agent

By: /s/ Francine Kincaid

Name: Francine Kincaid

Title: Vice President

*Signature Page to First Supplemental Indenture
(Duke Energy Progress, LLC)*

EXHIBIT A
FORM OF
SERIES A FLOATING RATE NOTE DUE 2022

No.

CUSIP No. 26442U AJ3

DUKE ENERGY PROGRESS, LLC
SERIES A FLOATING RATE NOTE DUE 2022

Principal Amount: \$

Regular Record Date: [Close of business on the business day immediately preceding such Interest Payment Date so long as all of the Securities (as defined herein) of this series remain in book-entry only form] [Close of business on the 15th calendar day immediately preceding such Interest Payment Date (whether or not a Business Day) if any of the Securities (as defined herein) of this series do not remain in book-entry only form]

Original Issue Date: August 20, 2020

Stated Maturity: February 18, 2022

Interest Payment Dates: Quarterly on February 18, May 18, August 18 and November 18 of each year, commencing on November 18, 2020

Interest Rate: Floating per annum rate reset quarterly based on LIBOR plus 18 basis points (0.18%), (0.18%, the "Margin), subject to the provisions set forth herein.

Authorized Denomination: \$2,000 or any integral multiple of \$1,000 in excess thereof

Duke Energy Progress, LLC, a limited liability company of the State of North Carolina (the "Company", which term includes any successor Person under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS (\$) on the Stated Maturity shown above and to pay interest thereon from the Original Issue Date shown above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, quarterly in arrears on each Interest Payment Date as specified above, commencing on November 18, 2020 and on the Stated Maturity at the rate per annum described below until the principal hereof is paid or made available for payment and at such rate on any overdue principal and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date (other than an Interest Payment Date that is a Redemption Date or the Stated Maturity) will, as provided in the Indenture, be paid to the Person in whose name this Series A Floating Rate Note due 2022 (this "Security") is registered on the Regular Record Date as specified above next preceding such Interest Payment Date; *provided* that any interest payable at Redemption Date or Stated Maturity will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Debt Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Interest on this Security shall be computed and paid on the basis of the actual number of days elapsed over a 360-day year consisting of twelve 30-day months and will accrue from August 20, 2020 or from the most recent Interest Payment Date to which interest has been paid or duly provided for. In the event that any Interest Payment Date (other than the Interest Payment Date that is a Redemption Date or the Stated Maturity) would otherwise be a day that is not a Business Day, such Interest Payment Date will be postponed to the next succeeding Business Day, unless the next succeeding Business Day is in the next succeeding calendar month, in which case, such Interest Payment Date shall be the immediately preceding Business Day. In the event that a Redemption Date or the Stated Maturity is not a Business Day, then the payment of the principal and interest payable on any such date will be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable, and no interest on such payment will accrue from and after such Redemption Date or the Stated Maturity. "Business Day" means any day other than a Saturday or Sunday that is neither a Legal Holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close, or a day on which the Corporate Trust Office is closed for business. "Legal Holiday" means any day that is a legal holiday in New York, New York.

This Security will bear interest for each quarterly Interest Period at a per annum rate determined by the Calculation Agent, except as provided below. The interest rate applicable during each quarterly Interest Period will be equal to LIBOR on the Interest Determination Date for such Interest Period plus 18 basis points (0.18%) (0.18%, the "Margin"), subject to the provisions provided below. Promptly upon such determination, the Calculation Agent will notify the Company and the Trustee, if the Trustee is not then serving as the Calculation Agent, or in certain circumstances described below, the Company or its Designee (which may be an independent financial advisor or any other designee of the Company (any of such entities, a "Designee")) will notify the Trustee, of the interest rate for the new Interest Period. In no event shall the initial Calculation Agent (The Bank of New York Mellon) be the Designee. Absent manifest error, the calculation of the applicable interest rate for each Interest Period by the Calculation Agent, or in certain circumstances described below, by the Company or its Designee, shall be binding and conclusive upon the beneficial owners and Holders of this Security, the Company and the Trustee.

Upon the request of a Holder of this Security, the Calculation Agent will provide to such Holder the interest rate in effect on the date of such request and, if determined, the interest rate for the next Interest Period.

In no event shall the Calculation Agent be responsible for determining whether a Benchmark Transition Event has occurred or be responsible for determining any substitute for LIBOR, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, Interest Determination Dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by the Company or its Designee and will have no liability for such actions taken at the direction of the Company.

Any determination, decision or election that may be made by the Company or its Designee in connection with a Benchmark Transition Event or a Benchmark Replacement, including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Company's or its Designee's sole discretion, and, notwithstanding anything to the contrary in the transaction documents relating to the Securities, will become effective without consent from any other party. Neither the Trustee nor the Calculation Agent will have any liability for any determination made by or on behalf of the Company or its Designee in connection with a Benchmark Transition Event or a Benchmark Replacement.

The accrued interest on this Security for any period is calculated by multiplying the principal amount of this Security by an accrued interest factor. The accrued interest factor is computed by adding the interest factor calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal rounded upwards if necessary) is computed by dividing the interest rate (expressed as a decimal rounded upwards if necessary) applicable to such date by 360.

All percentages resulting from any calculation of the interest rate on this Security will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (e.g., 0.567845% (or .00567845) being rounded to 0.56785% (or .0056785) and 0.567844% (or .00567844) being rounded to 0.56784% (or .0056784)), and all dollar amounts used in or resulting from such calculation will be rounded to the nearest cent (with one-half cent being rounded upwards). Any percentage resulting from any calculation of any interest rate for this Security less than 0.00% will be deemed to be 0.00% (or 0.0000).

Payment of principal of and interest on this Security shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of and interest on this Security represented by a Global Security shall be made by wire transfer of immediately available funds to the Holder of such Global Security. If any of the Securities represented by this Security are no longer represented by a Global Security, (i) payments of principal and interest due at a Redemption Date or the Stated Maturity of such Securities shall be made at the office of the Paying Agent upon surrender of such Securities to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Company, subject to such surrender where applicable, by (A) check mailed to the address of the Person entitled thereto as such address shall appear in the Debt Security Register or (B) wire transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least sixteen (16) days prior to the date for payment by the Person entitled thereto.

For purposes of this Security, except as otherwise expressly provided or unless the context otherwise requires, the following terms have the following meanings:

“BBAM” means the display that appears on Bloomberg L.P.’s page “BBAM” or any page as may replace such page on such service (or any successor service) for the purpose of displaying the London Interbank Offered rate for U.S. dollar deposits.

“Calculation Agent” means initially The Bank of New York Mellon, as appointed pursuant to Section 2.01 of the First Supplemental Indenture, dated as of August 1, 2020, among the Company, the Trustee and the Calculation Agent, or such calculation agent’s successor appointed by the Company pursuant to Article Two of such supplemental indenture, acting as calculation agent.

“Interest Determination Date” means the second London Business Day immediately preceding the first day of the relevant Interest Period.

“Interest Period” means the period commencing on an Interest Payment Date for this Security (or, with respect to the initial Interest Period only, commencing on the Original Issue Date for this Security) and ending on the day before the next succeeding Interest Payment Date for this Security.

"London Business Day" means a day that is a Business Day and a day on which dealings in deposits in U.S. dollars are transacted, or with respect to any future date are expected to be transacted, in the London interbank market.

"Reuters LIBOR01 Page" means the display designated as Reuters LIBOR01 on the Reuters 3000 Xtra (or such other page as may replace the Reuters LIBOR01 Page on that service, or such other service as may be nominated for the purpose of displaying rates or prices comparable to the London Interbank Offered rate for U.S. dollar deposits by ICE Benchmark Administration Limited ("IBA") or its successor or such other entity assuming the responsibility of IBA or its successor in calculating the London Interbank Offered rate in the event IBA or its successor no longer does so).

Determining the Floating Rate

"LIBOR" will be determined by the Calculation Agent in accordance with the following provisions:

(1) With respect to any Interest Period, the rate (expressed as a percentage per annum) for deposits in U.S. dollars for a three-month period commencing on the first day of that Interest Period and ending on the next Interest Payment Date for this Security that appears on Bloomberg L.P.'s page "BBAM" and, if such page is not available, from the Reuters LIBOR01 Page as of 11:00 a.m. (London time) on the Interest Determination Date for that Interest Period:

(2) If LIBOR cannot be determined as described above in clause (1), LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for the Interest Period and in a principal amount of not less than \$1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market, which may include affiliates of one or more of the underwriters of this Security, selected by the Company, at approximately 11:00 a.m., London time, on the Interest Determination Date for that Interest Period. The Company will request the principal London office of each such bank to provide a quotation of its rate to the Calculation Agent. If at least two such quotations are provided, LIBOR with respect to that Interest Period will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR with respect to that Interest Period will be the arithmetic mean of the rates quoted by three major banks in New York City, which may include affiliates of one or more of the underwriters of this Security, selected by the Company, at approximately 11:00 a.m., New York City time, on the Interest Determination Date for that Interest Period for loans in U.S. dollars to leading European banks for that Interest Period and in a principal amount of not less than \$1,000,000. The Company will request the principal New York City office of each such bank to provide a quotation of its rate to the Calculation Agent. However, if fewer than three banks selected by the Company to provide quotations are quoting as described above, LIBOR for that Interest Period will be the same as LIBOR as determined for the previous Interest Period.

Notwithstanding clauses (1) and (2) above in the immediately preceding paragraph, if the Company (or its Designee) determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined herein) have occurred with respect to LIBOR (or the then-current Benchmark (as defined herein), as applicable), then the provisions set forth below under "Effect of Benchmark Transition Event," which are referred to as the benchmark transition provisions, will thereafter apply to all determinations of the rate of interest payable on this Security. In accordance with the benchmark transition provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the amount of interest that will be payable for each Interest Period will be an annual rate equal to the sum of the Benchmark Replacement and the Margin. However, if the Company (or its Designee) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, but for any reason the Benchmark Replacement has not been determined as of the relevant Interest Determination Date, the interest rate for the applicable interest period will be equal to the interest rate for the immediately preceding Interest Period, as determined by the Company (or its Designee).

Effect of Benchmark Transition Event

Benchmark Replacement. If the Company (or its Designee) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time (as defined below) in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Securities of this series in respect of such determination on such date and all determinations on all subsequent dates.

Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Company (or its Designee) will have the right to make Benchmark Replacement Conforming Changes (as defined below) from time to time.

Decisions and Determinations. Any determination, decision or election that may be made by the Company (or its Designee) pursuant to this subsection, "Effect of Benchmark Transition Event," including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, will be made in the Company's (or its Designee's) sole discretion, and, notwithstanding anything to the contrary in the transaction documents relating to the Securities of this series, shall become effective without consent from the Holders of the Securities or any other party.

For purposes of this subsection, "Effect of Benchmark Transition Event," the following terms have the following meanings:

"Benchmark" means, initially, LIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"Benchmark Replacement" means the Interpolated Benchmark with respect to the then-current Benchmark, plus the Benchmark Replacement Adjustment for such Benchmark; provided that if the Company (or its Designee) cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Company (or its Designee) as of the Benchmark Replacement Date:

- (1) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (4) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; and
- (5) the sum of: (a) the alternate rate of interest that has been selected by the Company (or its Designee) as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Company (or its Designee) as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; and

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Company (or its Designee) giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate notes at such time.

The Benchmark Replacement Adjustment shall not include the Margin specified herein and such Margin shall be applied to the Benchmark Replacement to determine the interest payable on the Notes.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, rounding of amounts or tenor, and other administrative matters) that the Company (or its Designee) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Company (or its Designee) decides that adoption of any portion of such market practice is not administratively feasible or if the Company (or its Designee) determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Company (or its Designee) determines is reasonably necessary).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

“Compounded SOFR” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Company (or its Designee) in accordance with:

(1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining Compounded SOFR; provided that:

(2) if, and to the extent that, the Company (or its Designee) determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Company (or its Designee) giving due consideration to any industry-accepted market practice for U.S. dollar denominated floating rate notes at such time.

For the avoidance of doubt, the calculation of Compounded SOFR shall exclude the Benchmark Replacement Adjustment and the Margin.

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“Interpolated Benchmark” with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is LIBOR, 11:00 a.m., London time, on the Interest Determination Date, and (2) if the Benchmark is not LIBOR, the time determined by the Company (or its Designee) in accordance with the Benchmark Replacement Conforming Changes.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"SOFR" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York's Website.

"Term SOFR" means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Optional Redemption

The Securities of this series shall be redeemable at the option of the Company at any time on or after February 18, 2021, in whole or in part and from time to time, at a redemption price equal to 100% of the principal amount of the Securities of this series being redeemed plus accrued and unpaid interest on the principal amount of such Securities of this series being redeemed to, but excluding, such Redemption Date.

Notice of any optional redemption of Securities of this series (or any portion thereof) will be given to Holders at their addresses, as shown in the Debt Security Register for such Securities of this series, not less than 10 nor more than 30 days prior to the Redemption Date. The notice of redemption will specify, among other items, the method of calculation of the redemption price and the principal amount of the Securities of this series held by such Holder to be redeemed. If less than all of the Securities of this series are to be redeemed at the option of the Company, the Securities of this series or portions of such Securities being redeemed shall be selected for redemption in accordance with the Depositary's standard procedures.

If notice has been given as provided herein and funds for the redemption of any Securities of this series (or any portion thereof) called for redemption shall have been made available on the redemption date referred to in such notice, such Securities (or any portion thereof) will cease to bear interest on the Redemption Date specified in such notice and the only right of the Holders of such Securities will be to receive payment of the redemption price.

The Securities of this series shall not have a sinking fund.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS SECURITY SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed as of August 20, 2020.

Duke Energy Progress, LLC

By: _____

Name:

Title:

Attest:

By: _____

Name:

Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: _____

The Bank of New York Mellon, as Trustee

By: _____
Authorized Signatory

(Reverse Side of Security)

This Series A Floating Rate Note due 2022 is one of a duly authorized issue of Debt Securities of the Company (the "Securities"), issued and issuable in one or more series under an Indenture (For Debt Securities), dated as of October 28, 1999 (the "Original Indenture"), as supplemented (as so supplemented, the "Indenture"), between the Company and The Bank of New York Mellon (successor in interest to The Chase Manhattan Bank), as Trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitation of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Debt Securities issued thereunder and of the terms upon which said Debt Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof as Series A Floating Rate Notes due 2022 initially in the aggregate principal amount of \$700,000,000. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture.

Events of Default

If an Event of Default with respect to the Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

Certain Indenture Provisions

The Securities are unsecured and unsubordinated obligations of the Company and rank equally with all of the Company's other unsecured and unsubordinated indebtedness from time to time outstanding. The Company may, from time to time, without the consent of the Holder of this Security, provide for the issuance of Securities or other Debt Securities under the Indenture in addition to this Security.

The Indenture permits, in certain circumstances therein specified, the amendment thereof without the consent of the Holders of any of the Debt Securities. The Indenture also permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations under the Indenture of the Company and the rights of Holders of the Debt Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a specified percentage in aggregate principal amount of the Debt Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a specified percentage in aggregate principal amount of the Debt Securities of each series at the time Outstanding, on behalf of the Holders of all the Debt Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, a Holder of Debt Securities shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Debt Securities of this series, the Holders of not less than a specified percentage in aggregate principal amount of the Debt Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Debt Securities of all series at the time Outstanding in respect of which an Event of Default shall have occurred and be continuing a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security, subject to the provisions for satisfaction and discharge in Article VII of the Original Indenture, shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

The Indenture permits the Company, by irrevocably depositing, in amounts and maturities sufficient to pay and discharge at the Stated Maturity or Redemption Date, as the case may be, the entire indebtedness on all Outstanding Debt Securities, cash or U.S. Government Obligations with the Trustee in trust solely for the benefit of the Holders of all Outstanding Debt Securities, to defease the Indenture with respect to such Debt Securities, and upon such deposit the Company shall be deemed to have paid and discharged its entire indebtedness on such Debt Securities. Thereafter, Holders would be able to look only to such trust fund for payment of principal and interest at the Stated Maturity or Redemption Date, as the case may be.

The Securities of this series are issuable only in registered form without coupons in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of Securities of this series is registrable in the Debt Security Register, upon surrender of this Security for registration of transfer at the Corporate Trust Office of the Trustee or at such other offices or agencies of the Trustee from time to time designated for such purpose, or at such other offices or agencies as the Company may designate, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Debt Security Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of authorized denominations and for the same aggregate principal amount, shall be issued to the designated transferee or transferees.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All undefined terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

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

ABBREVIATIONS

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

TEN COM — as tenants in common

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

TEN ENT — as tenants by the entireties

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

under Uniform Gifts to Minors Act

(State)

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

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

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

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

Dated: _____

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

Signature Guarantee: _____

SIGNATURE GUARANTEE

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

EXHIBIT B

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: _____

The Bank of New York Mellon, as Trustee

By: _____
Authorized Signatory

B-1

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

August 20, 2020

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

Re: Duke Energy Progress, LLC \$600,000,000 aggregate principal amount of First Mortgage Bonds, 2.50% Series due 2050 and \$700,000,000 aggregate principal amount of Series A Floating Rate Notes due 2022

Ladies and Gentlemen:

I am Deputy General Counsel of Duke Energy Business Services LLC, the service company affiliate of Duke Energy Progress, LLC, a North Carolina limited liability company (the "Company"), and in such capacity I have acted as counsel to the Company in connection with the public offering of (i) \$600,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 2.50% Series due 2050 (the "Bonds"), to be issued pursuant to a Mortgage and Deed of Trust, dated as of May 1, 1940 (the "Original Mortgage"), with The Bank of New York Mellon (formerly Irving Trust Company) (the "Corporate Trustee") and Christie Leppert (successor to Frederick G. Herbst), as trustees (together with the Corporate Trustee, the "Mortgage Trustees"), as heretofore supplemented and amended and as further supplemented by the Ninetieth Supplemental Indenture, dated as of August 1, 2020 (the "Ninetieth Supplemental Indenture"), among the Company and the Mortgage Trustees, relating to the Bonds (collectively, the "Mortgage") and (ii) \$700,000,000 aggregate principal amount of the Company's Series A Floating Rate Notes due 2022 (the "Notes"), to be issued pursuant to an Indenture (For Debt Securities), dated as of October 28, 1999 (the "Original Indenture"), between the Company and The Bank of New York Mellon, as successor Trustee (the "Indenture Trustee") and Calculation Agent, as supplemented by the First Supplemental Indenture, dated as of August 1, 2020 (the "First Supplemental Indenture") (as so supplemented, the "Indenture"). On August 17, 2020, the Company entered into (i) an Underwriting Agreement dated August 17, 2020 (the "Bonds Underwriting Agreement") with Citigroup Global Markets Inc., J.P. Morgan Securities LLC, MUFG Securities Americas Inc., PNC Capital Markets LLC, TD Securities (USA) LLC and Wells Fargo Securities, LLC, as representatives of the several underwriters named therein (the "Bonds Underwriters"), relating to the sale by the Company to the Bonds Underwriters of the Bonds and (ii) an Underwriting Agreement dated August 17, 2020 (the "Notes Underwriting Agreement") with Citigroup Global Markets Inc., Academy Securities, Inc., C.L. King & Associates, Inc., Great Pacific Securities, Loop Capital Markets LLC, Mischler Financial Group, Inc., Samuel A. Ramirez & Company, Inc. and Siebert Williams Shank & Co., LLC, as representatives of the several underwriters named therein (the "Notes Underwriters"), relating to the sale by the Company to the Notes Underwriters of the Notes.

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

I am a member of the bar of the State of North Carolina and my opinions set forth herein are limited to the laws of the State of New York, the North Carolina limited liability company law and the federal laws of the United States that, in my experience, are normally applicable to transactions of the type contemplated above and, to the extent that judicial or regulatory orders or decrees or consents, approvals, licenses, authorizations, validations, filings, recordings or registrations with governmental authorities are relevant, to those required under such laws (all of the foregoing being referred to as "Opined on Law"). I do not express any opinion with respect to the law of any jurisdiction other than Opined on Law or as to the effect of any such non-opined law on the opinions herein stated. This opinion letter is limited to the laws, including the rules and regulations, as in effect on the date hereof, which laws are subject to change with possible retroactive effect. The Mortgage and the form of Bonds do not include provisions specifying the governing law. For purposes of my opinions set forth herein, I have assumed that the Mortgage and the Bonds are governed exclusively by the internal substantive laws and judicial interpretations of the State of North Carolina.

Duke Energy Progress, LLC

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

- (a) the registration statement on Form S-3 (File No. 333-233896-02) of the Company filed on September 23, 2019 with the Securities and Exchange Commission (the "Commission") under the Securities Act, allowing for delayed offerings pursuant to Rule 415 under the Securities Act and the information deemed to be a part of such registration statement as of the date hereof pursuant to Rule 430B of the rules and regulations under the Securities Act (the "Securities Act Regulations") and the information incorporated or deemed to be incorporated by reference in such registration statement pursuant to Item 12 of Form S-3 under the Securities Act (such registration statement, effective upon filing with the Commission on September 23, 2019 pursuant to Rule 462(e) of the Securities Act Regulations, being hereinafter referred to as the "Registration Statement");
 - (b) the prospectus, dated September 23, 2019, including the information incorporated or deemed to be incorporated by reference therein, which forms a part of and is included in the Registration Statement in the form filed with the Commission pursuant to Rule 424(b) of the Securities Act Regulations;
 - (c) the preliminary prospectus supplement, dated August 17, 2020, including the information incorporated or deemed to be incorporated by reference therein, relating to the offering of the Bonds in the form filed with the Commission pursuant to Rule 424(b) of the Securities Act Regulations;
 - (d) the preliminary prospectus supplement, dated August 17, 2020, including the information incorporated or deemed to be incorporated by reference therein, relating to the offering of the Notes in the form filed with the Commission pursuant to Rule 424(b) of the Securities Act Regulations;
 - (e) the prospectus supplement, dated August 17, 2020, including the information incorporated or deemed to be incorporated by reference therein (the "Bonds Prospectus Supplement"), relating to the offering of the Bonds in the form filed with the Commission pursuant to Rule 424(b) of the Securities Act Regulations;
 - (f) the prospectus supplement, dated August 17, 2020, including the information incorporated or deemed to be incorporated by reference therein (the "Notes Prospectus Supplement"), relating to the offering of the Notes in the form filed with the Commission pursuant to Rule 424(b) of the Securities Act Regulations;
 - (g) the Issuer Free Writing Prospectus relating to the offering of the Bonds filed with the Commission on August 17, 2020 pursuant to Rule 433(d) of the Securities Act Regulations and Section 5(e) of the Underwriting Agreement;
 - (h) the Issuer Free Writing Prospectus relating to the offering of the Notes filed with the Commission on August 17, 2020 pursuant to Rule 433(d) of the Securities Act Regulations and Section 5(e) of the Underwriting Agreement;
 - (i) an executed copy of the Bonds Underwriting Agreement;
 - (j) an executed copy of the Notes Underwriting Agreement;
-

Duke Energy Progress, LLC

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- (k) an executed copy of the Mortgage, including the Ninetieth Supplemental Indenture;
- (l) an executed copy of the Indenture, including the First Supplemental Indenture;
- (m) a specimen of the Bonds;
- (n) a specimen of the Notes;
- (o) the Articles of Organization Including Articles of Conversion dated July 31, 2015;
- (p) the Limited Liability Company Operating Agreement of the Company, dated as of August 1, 2015;
- (q) resolutions of the Board of Directors of the Company (the "Board of Directors"), adopted at meetings of the Board of Directors on April 25, 1940 and May 17, 1940, relating to, among other things, the authorization of the execution of the Original Mortgage;
- (r) resolutions of the Board of Directors, adopted on December 13, 2000, June 20, 2011, March 7, 2013, August 7, 2015, September 16, 2019 and August 17, 2020, relating to, among other things, the preparation and filing with the Commission of the Registration Statement and the establishment and delegation of authority to a Securities Pricing Committee of the Board of Directors of the Company;
- (s) the written consent of the Securities Pricing Committee of the Board of Directors, effective August 17, 2020, acting pursuant to specific delegation made and authorization given by the Board of Directors pursuant to the resolutions described in clause (r) above, relating to the offering of the Bonds; and
- (t) the written consent of the Assistant Treasurer of the Company, effective August 17, 2020, acting pursuant to specific delegation made and authorization given by the Board of Directors on September 16, 2019, relating to the offering of the Notes.

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

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

Duke Energy Progress, LLC

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The opinions set forth below are subject to the following further qualifications, assumptions and limitations:

- (i) the validity or enforcement of any agreements or instruments may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting mortgagees' (in the case of the Bonds) and other creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law); and
- (ii) I do not express any opinion as to the applicability or effect of any fraudulent transfer, preference or similar law on any agreements or instruments or any transactions contemplated thereby.

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

- (i) the Bonds have been duly authorized and executed by the Company, and that when duly authenticated by the Corporate Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Bonds Underwriting Agreement and the Mortgage, the Bonds will constitute valid and binding obligations of the Company entitled to the benefits of the Mortgage and enforceable against the Company in accordance with their terms; and
- (ii) the Notes have been duly authorized and executed by the Company, and that when duly authenticated by the Indenture Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Notes Underwriting Agreement and the Indenture, the Notes will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms.

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

Very truly yours,

/s/ Robert T. Lucas III
Robert T. Lucas III, Esq.

Exhibit 99.1

Execution Version

DUKE ENERGY PROGRESS, LLC
\$600,000,000 FIRST MORTGAGE BONDS,
2.50% SERIES DUE 2050
UNDERWRITING AGREEMENT

August 17, 2020

Citigroup Global Markets Inc.
J.P. Morgan Securities LLC
MUFG Securities Americas Inc.
PNC Capital Markets LLC
TD Securities (USA) LLC
Wells Fargo Securities, LLC

As Representatives of the several Underwriters

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

Ladies and Gentlemen:

1. *Introductory.* DUKE ENERGY PROGRESS, LLC, a North Carolina limited liability company (the "**Company**"), proposes, subject to the terms and conditions stated herein, to issue and sell \$600,000,000 aggregate principal amount of First Mortgage Bonds, 2.50% Series due 2050 (the "**Bonds**"), to be issued under and secured by its Mortgage and Deed of Trust, dated as of May 1, 1940 (the "**Original Mortgage**"), between the Company and The Bank of New York Mellon (formerly Irving Trust Company) (the "**Corporate Trustee**") and Christie Leppert (successor to Frederick G. Herbst), as trustees (together with the Corporate Trustee, the "**Trustees**"), as amended and supplemented by various supplemental indentures, including the Ninetieth Supplemental Indenture, to be dated as of August 1, 2020 (the "**Supplemental Indenture**") (the Original Mortgage, as so amended and supplemented, being hereinafter called the "**Mortgage**"). Citigroup Global Markets Inc., J.P. Morgan Securities LLC, MUFG Securities Americas Inc., PNC Capital Markets LLC, TD Securities (USA) LLC and Wells Fargo Securities, LLC (the "**Representatives**") are acting as representatives of the several underwriters named in Schedule A hereto (together with the Representatives, the "**Underwriters**"). The Company understands that the several Underwriters propose to offer the Bonds for sale upon the terms and conditions contemplated by (i) this Agreement and (ii) the Base Prospectus, the Preliminary Prospectus and 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**").

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

- (a) A registration statement (No. 333-233896-02), including a prospectus, relating to the Bonds and certain other securities has been filed with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933, as amended (the "**1933 Act**"). Such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, became effective upon filing with the Commission pursuant to Rule 462 of the rules and regulations of the Commission under the 1933 Act (the "**1933 Act Regulations**"), and no stop order suspending the effectiveness of such registration statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the 1933 Act has been initiated or threatened by the Commission (if prepared, any preliminary prospectus supplement specifically relating to the Bonds immediately prior to the Applicable Time included in such registration statement or filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations being hereinafter called a "**Preliminary Prospectus**"); the term "**Registration Statement**" means the registration statement as deemed revised pursuant to Rule 430B(f)(1) of the 1933 Act Regulations on the date of such registration statement's effectiveness for purposes of Section 11 of the 1933 Act, as such section applies to the Company and the Underwriters for the Bonds pursuant to Rule 430B(f)(2) of the 1933 Act Regulations (the "**Effective Date**"), including all exhibits thereto and including the documents incorporated by reference in the prospectus contained in the Registration Statement at the time such part of the Registration Statement became effective; the term "**Base Prospectus**" means the prospectus filed with the Commission on the date hereof by the Company; and the term "**Prospectus**" means the Base Prospectus together with the prospectus supplement specifically relating to the Bonds prepared in accordance with the provisions of Rule 430B and promptly filed after execution and delivery of this Agreement pursuant to Rule 430B or Rule 424(b) of the 1933 Act Regulations; any information included in such Prospectus that was omitted from the Registration Statement at the time it became effective but that is deemed to be a part of and included in such registration statement pursuant to Rule 430B is referred to as "**Rule 430B Information**;" and any reference herein to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein, prior to the date hereof; any reference to any amendment or supplement to 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 4:45 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 Bonds or until any earlier date that the Company notified or notifies the Underwriters pursuant to Section 5(f) hereof did not, does not and will not include any information that conflicts with the information (not superseded or modified as of the Effective Date) contained in the Registration Statement, any Preliminary Prospectus or the Prospectus.
- (d) At the earliest time the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Bonds, the Company was not an "ineligible issuer" as defined in Rule 405 of the 1933 Act Regulations. The Company is, and was at the time of the initial filing of the Registration Statement, eligible to use Form S-3 under the 1933 Act.
- (e) The documents and interactive data in eXtensible Business Reporting Language ("XBRL") incorporated or deemed to be incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, at the time they were filed or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together with the other information in the Prospectus, (i) at the time the Registration Statement became effective, (ii) at the Applicable Time and (iii) on the Closing Date did not, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

- (j) The Bonds have been duly authorized and when executed by the Company, and when authenticated by the Corporate Trustee, in the manner provided in the Mortgage and delivered against payment therefor, will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting mortgagees' and other creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and are entitled to the benefits and security afforded by the Mortgage in accordance with the terms of the Mortgage and the Bonds, except as set forth in paragraph (i) above.
- (k) Any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument set forth on Annex A hereto or filed or incorporated by reference as an exhibit to the Registration Statement or the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2019 or any subsequent Quarterly Report on Form 10-Q or Form 10-Q/A of the Company or any Current Report on Form 8-K of the Company with an execution or filing date after December 31, 2019 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 North Carolina 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 Mortgage or the Bonds.

3. *Purchase, Sale and Delivery of Bonds.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of 98.560% of the principal amount of the Bonds plus accrued interest, if any, from August 20, 2020 (and in the manner set forth below), the principal amount of Bonds set forth opposite the name of each Underwriter on Schedule A hereto plus the principal amount of additional Bonds which each such Underwriter may become obligated to purchase pursuant to the provisions of Section 8 hereof. The Underwriters hereby also agree to make a payment to the Company in an aggregate amount equal to \$750,000, including in respect of expenses incurred by the Company in connection with the offering of the Bonds.

Payment of the purchase price for the Bonds to be purchased by the Underwriters and the payment referred to above shall be made to the Company by wire transfer of immediately available funds, payable to the order of the Company against delivery of the Bonds, in fully registered form, to you or upon your order at 10:00 a.m., New York City time, on August 20, 2020 or such other time and date as shall be mutually agreed upon in writing by the Company and the Representatives (the "**Closing Date**"). The Bonds shall be delivered in the form of one or more global certificates in aggregate denomination equal to the aggregate principal amount of the Bonds upon original issuance, and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"). 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 Bonds for sale to the public as set forth in the Pricing Disclosure Package and the Prospectus.

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

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

- (d) Without the prior consent of the Underwriters, the Company has not made and will not make any offer relating to the Bonds that would constitute a "free writing prospectus" as defined in Rule 405 of the 1933 Act Regulations, other than 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 Bonds that would constitute a "free writing prospectus" as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus or a free writing prospectus that is not required to be filed by the Company pursuant to Rule 433 of the 1933 Act Regulations ("**Rule 433**"); any such free writing prospectus (which shall include the pricing term sheet referred to in Section 5(e) below), the use of which has been consented to by the Company and the Underwriters, is specified in Item 3 of Schedule B and herein is called a "**Permitted Free Writing Prospectus**." The Company represents that it has treated or agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping.
- (e) The Company agrees to prepare a pricing term sheet specifying the terms of the Bonds not contained in any Preliminary Prospectus, substantially in the form of Schedule C hereto and approved by the Representatives on behalf of the Underwriters, and to file such pricing term sheet as an "issuer free writing prospectus" pursuant to Rule 433 prior to the close of business two business days after the date hereof.
- (f) The Company agrees that if at any time following the issuance of a Permitted Free Writing Prospectus any event occurs as a result of which such Permitted Free Writing Prospectus would conflict with the information (not superseded or modified as of the Effective Date) in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Underwriters and, if requested by the Underwriters, will prepare and furnish without charge to each Underwriter a free writing prospectus or other document, the use of which has been consented to by the Underwriters, which will correct such conflict, statement or omission; 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 Bonds for sale under the laws of such jurisdictions as you designate and will continue such qualifications in effect so long as required for the distribution; provided, however, that the Company shall not be required to qualify as a foreign limited liability company or to file any general consents to service of process under the laws of any state where it is not now so subject.
- (j) The Company will pay all expenses incident to the performance of its obligations under this Agreement including (i) the printing and filing of the Registration Statement and the printing of this Agreement and any Blue Sky Survey, (ii) the preparation and printing of certificates for the Bonds, (iii) the issuance and delivery of the Bonds as specified herein, (iv) the fees and disbursements of counsel for the Underwriters in connection with the qualification of the Bonds under the securities laws of any jurisdiction in accordance with the provisions of Section 5(i) and in connection with the preparation of the Blue Sky Survey, such fees not to exceed \$5,000, (v) the printing and delivery to the Underwriters, in quantities as hereinabove referred to, of copies of the Registration Statement and any amendments thereto, of any Preliminary Prospectus, of the Prospectus, of any Permitted Free Writing Prospectus and any amendments or supplements thereto, (vi) any fees charged by independent rating agencies for rating the Bonds, (vii) any fees and expenses in connection with the listing of the Bonds on the New York Stock Exchange LLC, (viii) any filing fee required by the Financial Industry Regulatory Authority, Inc., (ix) the costs of any depository arrangements for the Bonds with DTC or any successor depository, (x) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Bonds, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the Underwriters and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show; provided, however, the Underwriters shall reimburse a portion of the costs and expenses referred to in this clause (x), and (xi) the preparation, execution, filing and recording by the Company of the Supplemental Indenture; and the Company will pay all taxes, if any (but not including any transfer taxes), on the filing and recordation of the Supplemental Indenture.

- (k) Promptly after the Closing Date, the Company will cause the Supplemental Indenture to be recorded in all recording offices in the states of North Carolina and South Carolina in which the property intended to be subject to the lien of the Mortgage is located.

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

- (a) The Prospectus shall have been filed by the Company with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for filing by the 1933 Act Regulations and in accordance herewith and each Permitted Free Writing Prospectus shall have been filed by the Company with the Commission within the applicable time periods prescribed for such filings by, and otherwise in compliance with, Rule 433.
- (b) At or after the Applicable Time and prior to the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the 1933 Act shall have been instituted or, to the knowledge of the Company or you, shall be threatened by the Commission.
- (c) At or after the Applicable Time and prior to the Closing Date, the rating assigned by Moody's Investors Service, Inc. or S&P Global Ratings (or any of their successors) to any debt securities or preferred stock of the Company as of the date of this Agreement shall not have been lowered.
- (d) Since the respective most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus and up to the Closing Date, there shall not have been any material adverse change in the condition of the Company, financial or otherwise, except as reflected in or contemplated by the Pricing Disclosure Package and the Prospectus, and, since such dates and up to the Closing Date, there shall not have been any material transaction entered into by the Company other than transactions contemplated by the Pricing Disclosure Package and the Prospectus and transactions in the ordinary course of business, the effect of which in your reasonable judgment is so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Pricing Disclosure Package and the Prospectus.

- (e) You shall have received an opinion of Robert T. Lucas III, Esq., Deputy General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation (who in such capacity provides legal services to the Company) (or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in-house" counsel), dated the Closing Date, to the effect that:
- (i) The Company has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of North Carolina, with power and authority (limited liability company and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement.
 - (ii) The Company is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure to so qualify, considering all such cases in the aggregate, does not have a material adverse effect on the business, properties, financial condition or results of operations of the Company.
 - (iii) The Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the 1933 Act.
 - (iv) The descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and such counsel does not know of any litigation or any legal or governmental proceeding instituted or threatened against the Company or any of its properties that would be required to be disclosed in the Registration Statement, the Pricing Disclosure Package or the Prospectus and is not so disclosed.
 - (v) This Agreement has been duly authorized, executed and delivered by the Company.
 - (vi) The issue and sale of the Bonds by the Company and the execution, delivery and performance by the Company of this Agreement, the Mortgage and the Bonds will not contravene any of the provisions of the Articles of Organization or the Operating Agreement, the North Carolina Limited Liability Company Act or any statute or any order, rule or regulation of which such counsel is aware of any court or governmental agency or body having jurisdiction over the Company or any of its property, nor will such action conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any indenture, mortgage, deed of trust, loan agreement or other agreement to which the Company is a party or by which it or its property is bound or to which any of its property or assets is subject or any instrument filed or incorporated by reference as an exhibit to the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2019 or any subsequent Quarterly Report on Form 10-Q or Form 10-Q/A of the Company or any Current Report on Form 8-K of the Company with an execution or filing date after December 31, 2019 or identified in Annex A to this Agreement, which affects in a material way the Company's ability to perform its obligations under this Agreement, the Mortgage or the Bonds.

- (vii) The North Carolina Utilities Commission and the Public Service Commission of South Carolina have issued appropriate orders with respect to the issuance and sale of the Bonds in accordance with this Agreement, and, to the best of such counsel's knowledge, such orders are still in effect and the issuance and sale of the Bonds to the Underwriters are in conformity with the terms of such orders; and no other authorization, approval or consent of any other governmental body (other than in connection or compliance with the provisions of the securities or Blue Sky laws of any jurisdiction) is legally required for the issuance and sale of the Bonds pursuant to this Agreement.
- (viii) The Mortgage has been duly authorized, executed and delivered by the Company and qualified under the 1939 Act, and, assuming the due authorization, execution and delivery thereof by the Trustees, constitutes a valid and legally binding instrument of the Company, enforceable against the Company in accordance with its terms, except (x) as the same may be limited by the laws of the States of North Carolina and South Carolina (in which States all physical property of the Company subject to the Mortgage is located except for certain interconnection lines) with respect to or affecting the remedies to enforce the security provided by the Mortgage, which laws do not make inadequate the remedies necessary for the realization of the benefits of such security, and (y) that the provisions of the Mortgage subjecting to the lien thereof the revenues and income from the mortgaged property may not be effective prior to the delivery or taking of possession of such revenues or income or of the mortgaged property by or on behalf of the Trustees.
- (ix) The Bonds have been duly authorized, executed and issued by the Company and, when the same have been authenticated by the Corporate Trustee as specified in the Mortgage and delivered against payment therefor, will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, and are entitled to the benefits and security afforded by the Mortgage in accordance with the terms of the Mortgage and the Bonds, except as set forth in paragraph (viii) above.
- (x) The Company has good title to all properties owned by it, subject only (a) to the lien of the Mortgage, (b) to Excepted Encumbrances as defined in the Mortgage, (c) to minor exceptions and defects which do not, in the aggregate, materially interfere with the use by the Company of such properties for the purposes for which they are held, materially detract from the value of said properties or in any material way impair the security afforded by the Mortgage, (d) in the case of the Company's existing hydroelectric plants, to provisions of licenses issued by the Federal Power Commission or the Federal Energy Regulatory Commission and to the provisions of the Federal Power Act and (e) to certain rights-of-way over private property on which are located transmission and distribution lines formerly owned by the Tide Water Power Company (merged into the Company on February 29, 1952).

- (xi) The Mortgage complies as to form with all applicable laws of the states wherein the properties subjected or intended to be subjected to the lien of the Mortgage are located, including all applicable recording laws, and constitutes a valid, direct first mortgage lien on all properties and franchises purported to be owned by the Company, except such property as is specifically excepted from the lien thereof, subject only to the liens, charges and encumbrances stated in paragraph (x) above; all fixed electric properties hereafter acquired by the Company will, upon such acquisition, become subject to the lien of the Mortgage, subject, however, to liens or charges of the character permitted to exist by the Mortgage, and to liens, if any, existing or placed on such property at the time of the acquisition thereof by the Company, and the description of such property and franchises in the Mortgage is adequate to constitute a lien on such property and franchises of the Company except as aforesaid.
- (xii) The Original Mortgage and the supplemental indentures thereto, other than the Supplemental Indenture, have been duly recorded or filed for recordation in all such offices as are necessary to perfect and to preserve and protect the lien of the Mortgage upon the property intended to be subjected to the lien thereof, and upon the filing and recording of the Supplemental Indenture, no other recording or any periodic or other refiling or rerecording of the Mortgage is or will be required in order to perfect and to preserve and protect the lien of the Mortgage upon such property, and there are no mortgage, recording or other taxes required to be paid in connection with such filing and recording or in connection with the issuance of the Bonds other than customary filing and recording fees.
- (xiii) No consent, approval, authorization, order, registration or qualification of or with any federal, North Carolina or South Carolina governmental agency or body or, to such counsel's knowledge, any federal or North Carolina court, which has not been obtained or taken and is not in full force and effect, is required to authorize or for the Company to consummate the transactions contemplated by this Agreement, except for such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters.

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

In rendering the foregoing opinion, such counsel may state that such counsel does not express any opinion concerning any law other than the law of the State of North Carolina or, to the extent set forth in the foregoing opinions, the federal securities laws and the law of the State of South Carolina and may rely as to all matters of the law of the State of South Carolina on the opinion of Karol P. Mack, Esq., Associate General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation (who in such capacity provides legal services to the Company), or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in-house" counsel. Such counsel may also state that such counsel has relied as to certain factual matters on information obtained from public officials, officers of the Company and other sources believed by such counsel to be reliable.

- (f) You shall have received an opinion of Hunton Andrews Kurth LLP, counsel to the Company, dated the Closing Date, to the effect that:
- (i) The statements set forth (i) under the caption "Description of First Mortgage Bonds" in the Base Prospectus and (ii) under the caption "Description of the Mortgage Bonds" in the Pricing Disclosure Package and the Prospectus, insofar as such statements purport to summarize certain provisions of the Mortgage and the Bonds, fairly summarize such provisions in all material respects.
 - (ii) No Governmental Approval, which has not been obtained or taken and is not in full force and effect, is required to authorize, or is required for, the execution or delivery of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby, except for such consents, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters.
 - (iii) The Company is not and, solely after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Prospectus, will not be subject to registration and regulation as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.
 - (iv) The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated thereby, including the issuance and sale of the Bonds, will not violate or conflict with, or result in any contravention of, any Applicable Laws of the States of North Carolina and New York.
 - (v) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Underwriting (Conflicts of Interest)," insofar as such statements purport to summarize certain provisions of this Agreement, fairly summarize such provisions in all material respects.
 - (vi) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Certain U.S. Federal Income Tax Considerations for Non-U.S. Holders," insofar as such statements purport to constitute summaries of matters of United States federal income tax law, constitute accurate and complete summaries, in all material respects, subject to the qualifications set forth therein.

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

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

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

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

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

- (g) You shall have received a letter from Sidley Austin LLP, counsel for the Underwriters, dated the Closing Date, with respect to such opinions and statements as you may reasonably request, and the Company shall have furnished to such counsel such documents as it may request for the purpose of enabling it to pass upon such matters. In giving its opinion, Sidley Austin LLP may rely on the opinion of Robert T. Lucas III, Esq. as to matters of North Carolina law and on the opinion of Karol P. Mack, Esq. (or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in-house" counsel), as to matters of South Carolina law.
- (h) On or after the date hereof, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally or of the securities of the Company or Duke Energy Corporation, on the New York Stock Exchange LLC; or (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities or a material disruption in commercial banking services or securities settlement or clearance services in the United States; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this subsection (h) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus. In such event there shall be no liability on the part of any party to any other party except as otherwise provided in Section 7 hereof and except for the expenses to be borne by the Company as provided in Section 5(j) hereof.
- (i) You shall have received a certificate of the Chairman of the Board, the President, any Vice President, the Secretary or an Assistant Secretary and any financial or accounting officer of the Company, dated the Closing Date, in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct as of the Closing Date, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date, that the conditions specified in Section 6(c) and Section 6(d) have been satisfied, and that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened by the Commission.
- (j) At the time of the execution of this Agreement, you shall have received a letter dated such date, in form and substance satisfactory to you, from Deloitte & Touche LLP, the Company's independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in or incorporated by reference into the Registration Statement, the Pricing Disclosure Package and the Prospectus, including specific references to inquiries regarding any increase in long-term debt (excluding current maturities), decrease in net current assets (defined as current assets less current liabilities) or member's equity, and decrease in operating revenues or net income for the period subsequent to the latest financial statements incorporated by reference in the Registration Statement when compared with the corresponding period from the preceding year, as of a specified date not more than three business days prior to the date of this Agreement.

- (k) At the Closing Date, you shall have received from Deloitte & Touche LLP, a letter dated as of the Closing Date, to the effect that it reaffirms the statements made in the letter furnished pursuant to subsection (j) of this Section 6, except that the specified date referred to shall be not more than three business days prior to the Closing Date.

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

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

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

- (iii) against any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) of this subsection 7(a).

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

- (b) Each Underwriter severally and not jointly agrees that it will indemnify and hold harmless the Company, its directors and each of the officers of the Company who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act to the same extent as the indemnity contained in subsection (a) of this Section 7, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Company or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each person so indemnified shall have the rights and duties given to the Underwriters, by the provisions of subsection (a) of this Section 7.

- (c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.
- (d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total compensation received by the Underwriters in respect of the underwriting discount as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Bonds underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

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

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

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

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

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

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

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

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

As used in this Section 12:

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

“Covered Entity” means any of the following:

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

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

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

13. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed or telecopied and confirmed to Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013 (Fax No.: (646) 291-1469); J.P. Morgan Securities LLC, 383 Madison Avenue, 3rd Floor, New York, New York 10179, Attn: Investment Grade Syndicate Desk (Fax No.: (212) 834-6081); MUFG Securities Americas Inc., 1221 Avenue of the Americas, 6th Floor, New York, New York 10020, Attention: Capital Markets Group (Fax No.: (646) 434-3455); PNC Capital Markets LLC, 300 Fifth Avenue, 10th Floor, Pittsburgh, Pennsylvania 15222, Attention: Debt Capital Markets, (Fax No.: (412) 762-2760); TD Securities (USA) LLC, 31 W. 52nd Street, 2nd Floor, New York, New York 10019, Attention: Transaction Management Group and Wells Fargo Securities, LLC, 550 South Tryon Street, 5th Floor, Charlotte, North Carolina 28202, Attn: Transaction Management (Fax No.: (704) 410-0326); or, if sent to the Company, will be mailed or telecopied and confirmed to it at 550 South 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 Bonds from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

16. *Counterparts; Electronic Signatures.* This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, the Indenture or the Bonds shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

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 Agreement 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 PROGRESS, LLC

By: /s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

[Remainder of page left blank intentionally]

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

Citigroup Global Markets Inc.
J.P. Morgan Securities LLC
MUFG Securities Americas Inc.
PNC Capital Markets LLC
TD Securities (USA) LLC
Wells Fargo Securities, LLC

On behalf of each of the Underwriters

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Brian D. Bednarski
Name: Brian D. Bednarski
Title: Managing Director

MUFG SECURITIES AMERICAS INC.

By: /s/ Richard Testa
Name: Richard Testa
Title: Managing Director

TD SECURITIES (USA) LLC

By: /s/ Luiz Lanfredi
Name: Luiz Lanfredi
Title: Director

J.P. MORGAN SECURITIES LLC

By: /s/ Maria Sramek
Name: Maria Sramek
Title: Executive Director

PNC CAPITAL MARKETS LLC

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

WELLS FARGO SECURITIES, LLC

By: /s/ Carolyn Hurley
Name: Carolyn Hurley
Title: Director

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

SCHEDULE A

Underwriter	Principal Amount of Bonds to be Purchased
Citigroup Global Markets Inc.	\$ 84,000,000
J.P. Morgan Securities LLC	84,000,000
MUFG Securities Americas Inc.	84,000,000
PNC Capital Markets LLC	84,000,000
TD Securities (USA) LLC	84,000,000
Wells Fargo Securities, LLC	84,000,000
BNY Mellon Capital Markets, LLC	31,980,000
KeyBanc Capital Markets Inc.	32,040,000
Santander Investment Securities Inc.	31,980,000
Total	\$ 600,000,000

SCHEDULE B

PRICING DISCLOSURE PACKAGE

- 1) Base Prospectus
- 2) Preliminary Prospectus Supplement dated August 17, 2020
- 3) Permitted Free Writing Prospectus
 - a) Pricing Term Sheet attached as Schedule C hereto

SCHEDULE C

*Filed pursuant to Rule 433
August 17, 2020
Relating to
Preliminary Prospectus Supplement dated August 17, 2020
to
Prospectus dated September 23, 2019
Registration Statement No. 333-233896-02*

**Duke Energy Progress, LLC
\$600,000,000 First Mortgage Bonds, 2.50% Series due 2050**

Pricing Term Sheet

Issuer:	Duke Energy Progress, LLC (the "Issuer")
Trade Date:	August 17, 2020
Settlement Date:	August 20, 2020 (T+3)
Interest Payment Dates:	February 15 and August 15 of each year, beginning on February 15, 2021
Security Description:	First Mortgage Bonds, 2.50% Series due 2050 (the "Bonds")
Principal Amount:	\$600,000,000
Maturity Date:	August 15, 2050
Price to the Public:	99.435% per Bond, plus accrued interest, if any, from August 20, 2020
Coupon:	2.50%
Benchmark Treasury:	1.250% due May 15, 2050
Benchmark Treasury Yield:	1.427%
Spread to Benchmark Treasury:	+110 bps
Yield to Maturity:	2.527%
Redemption Provisions:	<p>At any time before February 15, 2050 (which is the date that is six months prior to the maturity date of the Bonds (the "Par Call Date")), the Issuer will have the right to redeem the Bonds, in whole or in part and from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the Bonds being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds being redeemed that would be due if the Bonds matured on the Par Call Date (exclusive of interest accrued to the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus 20 basis points, plus, in either case, accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, such redemption date.</p> <p>At any time on or after the Par Call Date, the Issuer will have the right to redeem the Bonds, in whole or in part and from time to time, at a redemption price equal to 100% of the principal amount of the Bonds being redeemed plus accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, such redemption date.</p>

CUSIP / ISIN:	26442U AK0 / US26442UAK07
Joint Book-Running Managers:	Citigroup Global Markets Inc. J.P. Morgan Securities LLC MUFG Securities Americas Inc. PNC Capital Markets LLC TD Securities (USA) LLC Wells Fargo Securities, LLC
Co-Managers:	BNY Mellon Capital Markets, LLC KeyBanc Capital Markets Inc. Santander Investment Securities 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 Website at www.sec.gov. Alternatively, the Issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Citigroup Global Markets Inc. toll-free at (800) 831-9146, J.P. Morgan Securities LLC collect at (212) 834-4533, MUFG Securities Americas Inc. toll-free at (877) 649-6848, TD Securities (USA) LLC toll-free at (855) 495-9846, PNC Capital Markets LLC toll-free at (855) 881-0697 and Wells Fargo Securities, LLC toll-free at (800) 645-3751.

ANY DISCLAIMER OR OTHER NOTICE THAT MAY APPEAR BELOW IS NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMER OR NOTICE WAS AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT BY BLOOMBERG OR ANOTHER EMAIL SYSTEM.

Material Agreements

Credit Agreement, dated as of December 20, 2013, among Duke Energy Progress Receivables LLC, the Conduit Lenders, Committed Lenders and Managing Agents from time to time parties thereto and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent as amended from time to time, including by Amendment No. 5 to Credit Agreement, dated as of June 19, 2020, by and among Duke Energy Progress Receivables LLC, the Committed Lenders, the Conduit Lenders and Managing Agents, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Administrative Agent.

Servicing Agreement, dated as of December 20, 2013, among Duke Energy Progress Receivables LLC, as Buyer, Duke Energy Progress, Inc., as initial Servicer, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent.

Receivables Purchase Agreement, dated as of December 20, 2013, between Duke Energy Progress, Inc., as Seller, and Duke Energy Progress Receivables LLC, as Buyer.

Omnibus Amendment No. 4 to Transaction Documents, dated as of April 13, 2020, by and among Duke Energy Progress Receivables LLC, as Borrower, Duke Energy Progress LLC, as Servicer and Originator, the Committed Lenders, the Conduit Lenders and the Managing Agents, and the Bank of Tokyo – Mitsubishi UFJ, Ltd, New York Branch, as administrative agent.

Execution Version

DUKE ENERGY PROGRESS, LLC

\$700,000,000 SERIES A FLOATING RATE NOTES DUE 2022

UNDERWRITING AGREEMENT

August 17, 2020

Citigroup Global Markets Inc.
Academy Securities, Inc.
C.L. King & Associates, Inc.
Great Pacific Securities
Loop Capital Markets LLC
Mischler Financial Group, Inc.
Samuel A. Ramirez & Company, Inc.
Siebert Williams Shank & Co., LLC

As Representatives of the several Underwriters

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

Ladies and Gentlemen:

1. *Introductory.* DUKE ENERGY PROGRESS, LLC, a North Carolina limited liability company (the "**Company**"), proposes, subject to the terms and conditions stated herein, to issue and sell \$700,000,000 aggregate principal amount of Series A Floating Rate Notes due 2022 (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 October 28, 1999 (the "**Original Indenture**"), as supplemented by the First Supplemental Indenture, to be dated as of August 1, 2020 (the "**Supplemental Indenture**") (the Original Indenture, as so supplemented, being hereinafter called the "**Indenture**"). Citigroup Global Markets Inc., Academy Securities, Inc., C.L. King & Associates, Inc., Great Pacific Securities, Loop Capital Markets LLC, Mischler Financial Group, Inc., Samuel A. Ramirez & Company, Inc. and Siebert Williams Shank & Co., LLC (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**").

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

- (a) A registration statement (No. 333-233896-02), 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, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein, prior to the date hereof; any reference to any amendment or supplement to 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 4:30 p.m. (New York City time) on the date hereof.
- (b) The Registration Statement, the Permitted Free Writing Prospectus specified on Schedule B hereto, 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 pursuant to Section 5(f) hereof did not, does not and will not include any information that conflicts with the information (not superseded or modified as of the Effective Date) contained in the Registration Statement, any Preliminary Prospectus or the Prospectus.
- (d) At the earliest time the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the 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, (i) at the time the Registration Statement became effective, (ii) at the Applicable Time and (iii) on the Closing Date did not, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (f) The Company's most recent Annual Report filed on Form 10-K meets the conditions specified in General Instruction I(1)(a) and (b) of the General Instructions for Form 10-K, and the Company's most recent Quarterly Report filed on Form 10-Q meets the conditions specified in General Instruction H(1) of the General Instructions for Form 10-Q.

- (g) The compliance by the Company with all of the provisions of this Agreement has been duly authorized by all necessary limited liability company action and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which it is bound or to which any of its properties or assets is subject that would have a material adverse effect on the business, financial condition or results of operations of the Company, nor will such action result in any violation of the Company's Articles of Organization including Articles of Conversion for the Company (the "**Articles of Organization**"), or the Company's Limited Liability Company Operating Agreement (the "**Operating Agreement**") or other governing document of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its properties that would have a material adverse effect on the business, financial condition or results of operations of the Company; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, except for authorization by the North Carolina Utilities Commission and the Public Service Commission of South Carolina and the registration under the 1933 Act of the 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, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.
- (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, fraudulent transfer or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing, 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 set forth on Annex A hereto or filed or incorporated by reference as an exhibit to the Registration Statement or the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2019 or any subsequent Quarterly Report on Form 10-Q or Form 10-Q/A of the Company or any Current Report on Form 8-K of the Company with an execution or filing date after December 31, 2019 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 North Carolina 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 May 1, 1940, as amended and supplemented and (ii) as disclosed in footnote 11 to the financial statements in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 relating to Duke Energy Progress Receivables, LLC's receivables financing.

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 99.800% of the principal amount of the Notes plus accrued interest, if any, from August 20, 2020 (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 \$350,000.

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 August 20, 2020 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, a supplement or an appropriate document pursuant to Section 13 or 14 of the 1934 Act which will correct such statement or omission or which will effect such compliance.
 - (c) The Company, during the period when a prospectus relating to the 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 depository, and (x) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the 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 Robert T. Lucas III, Esq., Deputy General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation (who in such capacity provides legal services to the Company) (or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in-house" counsel), dated the Closing Date, to the effect that:
 - (i) The Company has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of North Carolina, with power and authority (limited liability company and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement.
 - (ii) The Company is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure to so qualify, considering all such cases in the aggregate, does not have a material adverse effect on the business, properties, financial condition or results of operations of the Company.
 - (iii) The Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the 1933 Act.
 - (iv) The descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and such counsel does not know of any litigation or any legal or governmental proceeding instituted or threatened against the Company or any of its properties that would be required to be disclosed in the Registration Statement, the Pricing Disclosure Package or the Prospectus and is not so disclosed.

- (v) This Agreement has been duly authorized, executed and delivered by the Company.
- (vi) The issue and sale of the 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 Operating Agreement, the North Carolina Limited Liability Company Act or any statute or any order, rule or regulation of which such counsel is aware of any court or governmental agency or body having jurisdiction over the Company or any of its property, nor will such action conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any indenture, mortgage, deed of trust, loan agreement or other agreement to which the Company is a party or by which it or its property is bound or to which any of its property or assets is subject or any instrument filed or incorporated by reference as an exhibit to the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2019 or any subsequent Quarterly Report on Form 10-Q or Form 10-Q/A of the Company or any Current Report on Form 8-K of the Company with an execution or filing date after December 31, 2019 or identified in Annex A to this Agreement, which affects in a material way the Company's ability to perform its obligations under this Agreement, the Indenture or the Notes.
- (vii) The North Carolina Utilities Commission and the Public Service Commission of South Carolina have issued appropriate orders with respect to the issuance and sale of the Notes in accordance with this Agreement, and, to the best of such counsel's knowledge, such orders are still in effect and the issuance and sale of the Notes to the Underwriters are in conformity with the terms of such orders; and no other authorization, approval or consent of any other governmental body (other than in connection or compliance with the provisions of the securities or Blue Sky laws of any jurisdiction) is legally required for the issuance and sale of the Notes pursuant to this Agreement.
- (viii) The Indenture has been duly authorized, executed and delivered by the Company and qualified under the 1939 Act, and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes a valid and legally binding instrument of the Company, enforceable against the Company in accordance with its terms.
- (ix) The Notes have been duly authorized, executed and issued by the Company and, when the same have been authenticated by the Trustee as specified 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, and are entitled to the benefits afforded by the Indenture in accordance with the terms of the Indenture and the Notes.

- (x) No consent, approval, authorization, order, registration or qualification of or with any federal, North Carolina or South Carolina governmental agency or body or, to such counsel's knowledge, any federal or North Carolina court, which has not been obtained or taken and is not in full force and effect, is required to authorize or for the Company to consummate the transactions contemplated by this Agreement, except for such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Notes by the Underwriters.

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

In rendering the foregoing opinion, such counsel may state that such counsel does not express any opinion concerning any law other than the law of the State of North Carolina or, to the extent set forth in the foregoing opinions, the federal securities laws and the laws of the State of South Carolina and the State of New York and may rely (i) as to all matters of the law of the State of South Carolina on the opinion of Karol P. Mack, Esq., Associate General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation (who in such capacity provides legal services to the Company), or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in-house" counsel and (ii) as to all matters of the law of the State of New York on the opinion letter of Hunton Andrews Kurth LLP being delivered to the Underwriters pursuant to Section 6(f) of this Agreement. Such counsel may also state that such counsel has relied as to certain factual matters on information obtained from public officials, officers of the Company and other sources believed by such counsel to be reliable.

- (f) You shall have received an opinion of Hunton Andrews Kurth LLP, counsel to the Company, dated the Closing Date, to the effect that:
- (i) The statements set forth (i) under the caption "Description of 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, except for such consents, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Notes by the Underwriters.
 - (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 execution and delivery by the Company of this Agreement and the Indenture and the consummation by the Company of the transactions contemplated thereby, including the issuance and sale of the Notes, will not violate or conflict with, or result in any contravention of, any Applicable Laws of the States of North Carolina and New York.
 - (v) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Underwriting (Conflicts of Interest)," insofar as such statements purport to summarize certain provisions of this Agreement, fairly summarize such provisions in all material respects.
 - (vi) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Certain U.S. Federal Income Tax Considerations for Non-U.S. Holders," insofar as such statements purport to constitute summaries of matters of United States federal income tax law, constitute accurate and complete summaries, in all material respects, subject to the qualifications set forth therein.

- (vii) The Underwriting Agreement has been duly authorized, executed and delivered by the Company.
- (viii) The Indenture has been duly authorized, executed and delivered by the Company and, assuming the due authorization, execution and delivery thereof by the Trustee, is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.
- (ix) The Notes have been duly authorized and executed by the Company, and when duly authenticated by the Trustee and issued and delivered by the Company against payment thereof in accordance with the terms of the Agreement and the Indenture, the Notes 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 (viii) and (ix) 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 States of North Carolina and New York having jurisdiction over the Company under Applicable Laws and the Federal Energy Regulatory Commission, but excluding the North Carolina Utilities Commission and the New York State Public Service Commission; and (iii) "Applicable Laws" means those laws, rules and regulations of the States of North Carolina and New York 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, the rules and regulations of the Financial Industry Regulatory Authority, Inc., the North Carolina Public Utilities Act, the rules and regulations of the North Carolina Utilities Commission and the New York State Public Service Commission and the New York State Public Service Law), but without such counsel having made any special investigation as to the applicability of any specific law, rule or regulation, and the Federal Power Act and the rules and regulations of the Federal Energy Regulatory Commission thereunder. In addition, such counsel may state that it has relied as to certain factual matters on information obtained from public officials, officers and representatives of the Company and that the signatures on all documents examined by such counsel are genuine, assumptions which such counsel shall not independently verified.

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

(i) no facts have come to such counsel's attention that have caused such counsel to believe that the documents filed by the Company under the 1934 Act and the 1934 Act Regulations that are incorporated by reference in the preliminary prospectus supplement that forms a part of the Pricing Disclosure Package and the Prospectus, when filed, were not, on their face, appropriately responsive in all material respects to the requirements of the 1934 Act and the 1934 Act Regulations (except that in each case such counsel need not express any view with respect to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, including with respect to 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, not 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, including 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 and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, or with respect to 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 with respect to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, including 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 filed with the Commission within the time period required by Rule 433(d) of the 1933 Act Regulations. Such statement shall further state that assuming the accuracy of the factual matters contained in the representations and warranties of the Company set forth in Section 2(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 Sections 6(f)(i), (v) and (vi) above).

- (g) You shall have received a letter from Sidley Austin LLP, counsel for the Underwriters, dated the Closing Date, with respect to such opinions and statements as you may reasonably request, and the Company shall have furnished to such counsel such documents as it may request for the purpose of enabling it to pass upon such matters. In giving its opinion, Sidley Austin LLP may rely on the opinion of Robert T. Lucas III, Esq. as to matters of North Carolina law and on the opinion of Karol P. Mack, Esq. (or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in-house" counsel), as to matters of South Carolina law.
- (h) On or after the date hereof, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally or of the securities of the Company or Duke Energy Corporation, on the New York Stock Exchange LLC; or (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities or a material disruption in commercial banking services or securities settlement or clearance services in the United States; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this subsection (h) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the 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 7, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Company or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each person so indemnified shall have the rights and duties given to the Underwriters, by the provisions of subsection (a) of this Section 7.
- (c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

- (d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the 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 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the 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 8 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 amount of Notes which such Underwriter agreed to purchase hereunder at such Closing Date and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the 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 hereof, 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 Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013 (Fax No.: (646) 291-1469); Academy Securities, Inc., 140 East 45th Street, 5th Floor, New York, New York 10005 (Fax No.: (646) 736-3995); C.L. King & Associates, Inc., 410 Park Avenue, Suite 1620, New York, New York 10022, Attention: Anne Serewicz, (Fax No.: (518) 431-3556); Great Pacific Securities, 151 Kalmus Drive, Suite H-8, Costa Mesa, California 92626, Attention: Christopher Vinck-Luna, (Fax No.: (714) 619-3019); Loop Capital Markets LLC, 111 West Jackson Blvd., Suite 1901, Chicago, Illinois 60604, Attention: Sidney Dillard (Fax. No.: (312) 922-8898); Mischler Financial Group, Inc., 46 Southfield Avenue, Suite 200, Stamford, Connecticut 06902, (Fax. No. (203) 276-6686); Samuel A. Ramirez & Company, Inc., 61 Broadway, 29th Floor, New York, New York 10006; and Siebert Williams Shank & Co., LLC, 100 Wall Street, New York, New York 10005, (Fax. No.: (646) 576-9680); or, if sent to the Company, will be mailed or telecopied and confirmed to it at 550 South 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; Electronic Signatures.* This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, the Indenture or the Notes shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

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 Agreement 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 PROGRESS, LLC

By: /s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

[Remainder of page left blank intentionally]

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

Citigroup Global Markets Inc.
Academy Securities, Inc.
C.L. King & Associates, Inc.
Great Pacific Securities
Loop Capital Markets LLC
Mischler Financial Group, Inc.
Samuel A. Ramirez & Company, Inc.
Siebert Williams Shank & Co., LLC

On behalf of each of the Underwriters

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Brian D. Bednarski
Name: Brian D. Bednarski
Title: Managing Director

ACADEMY SECURITIES, INC.

By: /s/ Michael Boyd
Name: Michael Boyd
Title: Chief Compliance Officer

C.L. KING & ASSOCIATES, INC.

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

GREAT PACIFIC SECURITIES

By: /s/ Christopher Vinck-Luna
Name: Christopher Vinck-Luna
Title: President

LOOP CAPITAL MARKETS LLC

By: /s/ Paul Bonaguro
Name: Paul Bonaguro
Title: Managing Director

MISCHLER FINANCIAL GROUP, INC.

By: /s/ Doyle L. Holmes
Name: Doyle L. Holmes
Title: President

SAMUEL A. RAMIREZ & COMPANY, INC.

By: /s/ Raymond S. O'Connor
Name: Raymond S. O'Connor
Title: Managing Director

SIEBERT WILLIAMS SHANK & Co., LLC

By: /s/ David Finkelstein
Name: David Finkelstein
Title: Managing Director

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

SCHEDULE A

Underwriter	Principal Amount of Notes to be Purchased
Citigroup Global Markets Inc.	\$ 87,500,000
Academy Securities, Inc.	87,500,000
C.L. King & Associates, Inc.	87,500,000
Great Pacific Securities	87,500,000
Loop Capital Markets LLC	87,500,000
Mischler Financial Group, Inc.	87,500,000
Samuel A. Ramirez & Company, Inc.	87,500,000
Siebert Williams Shank & Co., LLC	87,500,000
Total	\$ 700,000,000

SCHEDULE B

PRICING DISCLOSURE PACKAGE

- 1) Base Prospectus
- 2) Preliminary Prospectus Supplement dated August 17, 2020
- 3) Permitted Free Writing Prospectus
 - a) Pricing Term Sheet attached as Schedule C hereto

SCHEDULE C

*Filed pursuant to Rule 433
August 17, 2020
Relating to
Preliminary Prospectus Supplement dated August 17, 2020
to
Prospectus dated September 23, 2019
Registration Statement No. 333-233896-02*

**Duke Energy Progress, LLC
\$700,000,000 Series A Floating Rate Notes due 2022**

Pricing Term Sheet

Issuer:	Duke Energy Progress, LLC (the "Issuer")
Trade Date:	August 17, 2020
Settlement Date:	August 20, 2020 (T+3)
Interest Payment Dates:	February 18, May 18, August 18 and November 18 of each year, beginning on November 18, 2020
Security Description:	Series A Floating Rate Notes due 2022 (the "Notes")
Principal Amount:	\$700,000,000
Maturity Date:	February 18, 2022
Price to the Public:	100% per Note, plus accrued interest, if any, from August 20, 2020
Coupon:	Floating Rate – reset quarterly based on the three-month LIBOR plus 18 basis points (0.18%)
Optional Redemption:	At any time on or after February 18, 2021, the Issuer will have the right to redeem the Notes, at its option, in whole or in part and from time to time, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest on the principal amount of such Notes being redeemed to, but excluding, such redemption date.
CUSIP / ISIN:	26442U AJ3 / US26442U AJ34
Joint Book-Running Managers:	Citigroup Global Markets Inc. Academy Securities, Inc. C.L. King & Associates, Inc. Great Pacific Securities Loop Capital Markets LLC Mischler Financial Group, Inc. Samuel A. Ramirez & Company, Inc. Siebert Williams Shank & Co., LLC

The Issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, the Issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Citigroup Global Markets Inc. toll-free at (800) 831-9146, Academy Securities, Inc. collect at (646) 736-3995, C.L. King & Associates, Inc. toll-free at (800) 743-6626, Great Pacific Securities toll-free at (800) 284-4804, Loop Capital Markets LLC toll-free at (888) 294-7137, Mischler Financial Group, Inc. toll-free at (800) 820-0640, Samuel A. Ramirez & Company, Inc. toll-free at (800) 888-4086 and Siebert Williams Shank & Co., LLC toll-free at (800) 334-6800.

ANY DISCLAIMER OR OTHER NOTICE THAT MAY APPEAR BELOW IS NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMER OR NOTICE WAS AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT BY BLOOMBERG OR ANOTHER EMAIL SYSTEM.

Annex A

Material Agreements

Credit Agreement, dated as of December 20, 2013, among Duke Energy Progress Receivables LLC, the Conduit Lenders, Committed Lenders and Managing Agents from time to time parties thereto and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent as amended from time to time, including by Amendment No. 5 to Credit Agreement, dated as of June 19, 2020, by and among Duke Energy Progress Receivables LLC, the Committed Lenders, the Conduit Lenders and Managing Agents, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Administrative Agent.

Servicing Agreement, dated as of December 20, 2013, among Duke Energy Progress Receivables LLC, as Buyer, Duke Energy Progress, Inc., as initial Servicer, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Administrative Agent.

Receivables Purchase Agreement, dated as of December 20, 2013, between Duke Energy Progress, Inc., as Seller, and Duke Energy Progress Receivables LLC, as Buyer.

Omnibus Amendment No. 4 to Transaction Documents, dated as of April 13, 2020, by and among Duke Energy Progress Receivables LLC, as Borrower Duke Energy Progress LLC, as Servicer and Originator, the Committed Lenders, the Conduit Lenders and the Managing Agents, and the Bank of Tokyo - Mitsubishi UFJ, Ltd, New York Branch, as administrative agent.
